



U.S.\$55,000,000,000
Programme for the issuance of
Euro Medium-Term Notes, Series B

Under the Programme for the issuance of Euro Medium-Term Notes, Series B described in this Base Prospectus (the “**Programme**”), Citigroup Inc. (the “**Issuer**” or “**Citigroup**”) may from time to time issue senior notes (the “**Senior Notes**”) and subordinated notes (the “**Subordinated Notes**” and, together with the Senior Notes, the “**Notes**”) with a maturity of nine months or more, subject to compliance with all laws, regulations and directives. The aggregate principal amount of Notes outstanding at any time will not exceed U.S.\$55,000,000,000 (or the equivalent in other currencies).

Applications have been made for Notes issued under the Programme described in this Base Prospectus to be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange, however the Issuer is not required to maintain the listing of any Notes so listed. Notes may also be listed on any other stock exchange as set out in the relevant Final Terms. Application has been made for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) to the competent authority in each of France, Germany, The Netherlands, United Kingdom, Republic of Ireland, Spain, Italy, Belgium and Austria. This document as well as the documents incorporated by reference will be published on the website of the Luxembourg Stock Exchange.

Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “Securities Act”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to United States persons (as defined herein). For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any final terms and other offering material relating to the Notes, see “Subscription and Sale”.

The Notes will not be deposits or savings accounts but are unsecured debt obligations of Citigroup. The Notes will not be insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

Arranger

Citigroup

Dealer

Citigroup

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Base Prospectus and to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

IMPORTANT NOTICES

This Base Prospectus should be read and construed together with any supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in connection with the Programme or any information supplied by the Issuer or such other information as is in the public domain in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers (as defined in “Subscription and Sale”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the financial position or affairs of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “Subscription and Sale”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus (or any information incorporated herein by reference) should purchase Notes. Each purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus (and any information incorporated herein by reference) and its purchase of Notes should be based upon such investigation as it deems necessary. No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the Programme nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.\$55,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into United States dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement (as defined under “Subscription and Sale”))). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the

Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

In this Base Prospectus, unless otherwise specified, references to “U.S.\$”, “U.S. dollars” or “dollars” are to United States dollars, references to “£”, “GBP” and “Sterling” are to the lawful currency for the time being of the United Kingdom and references to “€”, “EUR” or “Euro” are to the single currency adopted by those states participating, from time to time, in European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISING MANAGER(S) IN THE APPLICABLE FINAL TERMS) MAY OVER-ALLOT NOTES (PROVIDED THAT, IN THE CASE OF ANY TRANCHE OF NOTES TO BE ADMITTED TO TRADING ON THE REGULATED MARKET OF THE LUXEMBOURG STOCK EXCHANGE, THE AGGREGATE PRINCIPAL AMOUNT OF NOTES ALLOTTED DOES NOT EXCEED 105 PER CENT. OF THE AGGREGATE PRINCIPAL AMOUNT OF THE RELEVANT TRANCHE) OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO OBLIGATION ON THE STABILISING MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISING MANAGER) TO UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus. Any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole and the documents incorporated by reference herein, by any investor. No civil liability attaches to the Issuer in respect of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus, including any information incorporated by reference. Where a claim relating to information contained in this Base Prospectus is brought before a court in an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus. Words and expressions defined in “Forms of the Notes” or “Terms and Conditions of the Notes” below shall have the same meanings in this summary.

Issuer:

Citigroup Inc.

Citigroup Inc. is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate clients. Citigroup has some 200 million client accounts and does business in more than 100 countries. Citigroup’s activities are conducted through Global Consumer, Corporate and Investment Banking, Global Wealth Management, and Alternative Investments. Citigroup’s principal subsidiaries are Citibank, N.A., Associates First Capital Corporation, Citigroup Global Markets Inc. and Grupo Financiero Banamex, S.A. de C.V., each of which is a wholly owned subsidiary of Citigroup.

The principal office for Citigroup is located at 399 Park Avenue, New York, New York 10043. Citigroup was incorporated in Delaware in 1988 pursuant to the Delaware General Corporation Law under certificate no. 2154254.

Global Consumer: delivers a wide array of banking, lending, insurance and investment services through a network of local branches, offices and electronic delivery systems, including ATMs, Automated Lending Machines, the Internet, telephone and mail, and the Primerica Financial Services sales force. The Global Consumer businesses serve individual consumers as well as small businesses. Global Consumer includes the credit card business (including MasterCard, VISA, Diner’s Club and private label credit and charge cards), community-based consumer lending and retail banking.

Corporate and Investment Banking: provides corporations, governments, institutions and investors in approximately 100 countries with a broad range of financial products and services. Corporate and Investment Banking includes the capital markets and banking business (which includes investment banking, debt and equity trading, institutional brokerage, advisory services, foreign exchange, structured products, derivatives and lending) and the transaction services business (which provides cash management, trade finance and custody and clearing services).

Global Wealth Management: is comprised of the Smith Barney Private Client and Investment Research businesses and the Citigroup Private Bank. Through its Smith Barney network of financial consultants and Private Bank offices, Global Wealth Management is one of the leading providers of wealth management services to high-net-worth and affluent clients in the world. Smith Barney provides investment advice, financial planning and brokerage services, primarily in the U.S., and provides independent client-focused research to individuals and institutions around the world. Private Bank provides personalized wealth management services in 33 countries and territories.

Alternative Investments: manages capital on behalf of Citigroup, as well as for third party institutional and high net-worth investors. Products offered include investments in private equity, hedge funds, managed futures, real estate, and structured products.

Arranger:	Citigroup Global Markets Limited
Dealers:	Citigroup Global Markets Limited and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
Fiscal Agent:	Citibank, N.A., London Branch
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg
Admission to Trading:	Each Series may be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or any other stock exchange specified in the relevant Final Terms or may be unlisted.
Passporting:	Application has been made for a certificate of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in each of France, Germany, The Netherlands, United Kingdom, Republic of Ireland, Spain, Italy, Belgium and Austria.
Clearing Systems:	Euroclear and/or Clearstream Banking, société anonyme, Luxembourg (“Clearstream, Luxembourg”) and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to U.S.\$55,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all possess identical terms, except that, <i>inter alia</i> , the issue date and the amount of the first payment of interest may be different for different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Method of issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series having one or more issue dates on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be fungible with all other Notes of that Series. The specific terms of each Tranche will be set out in the relevant Final Terms.
Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of a Temporary Global Note. Each Temporary Global Note which is not intended to be issued in new global note form (a “ Classic Global Note ” or “ CGN ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or delivered outside a clearing system and each Temporary Global Note which is intended to be issued in new global note form (a “ New Global Note ” or “ NGN ”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes on or after the date (the “ Exchange Date ”) which is the first day following the later of

(x) 40 days after the later of the commencement of the offering of Notes of the relevant Tranche and the date of issue thereof (the “**Initial Distribution Compliance Period**”) and (y) if either the commencement of the offering of Notes of any other Tranche of the same Series or the date of issue thereof falls within the Initial Distribution Compliance Period, 40 days after the later of the commencement of the offering of such Tranche and the date of issue thereof, in each case only upon certification as to non-U.S. beneficial ownership. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Currencies:

Notes may be denominated in U.S. dollars, Euro and any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes:

Notes may be issued on a subordinated or unsubordinated basis, as specified in the relevant Final Terms, all as described in “Terms and Conditions of the Notes”. Payment of principal of the Subordinated Notes may be accelerated only in the case of the bankruptcy and insolvency of the Issuer. See Condition 4(b) (*Status — Status of Subordinated Notes*).

Issue Price:

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

Maturities:

Notes may be issued with any maturity of nine months or more subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Under the Luxembourg Law on Prospectuses for Securities, which implements Directive 2003/71/EC (the “Prospectus Directive”), prospectuses for the listing of money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such law and do not need to be approved by the CSSF.

Redemption:

Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.

Notes specified as exchangeable Notes in the relevant Final Terms (“**Exchangeable Notes**”) may be convertible into or exchangeable or exercisable for or payable in, among other things, other securities, instruments, contracts, currencies, commodities or other forms of property, rights or interests or any combination thereof (“**Deliverable Assets**”). The relevant Final Terms will specify the terms of Exchangeable Notes.

Optional Redemption:

Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.

Tax Redemption: Notes will be subject to early redemption for tax reasons as described in Condition 10(b) (*Redemption and Purchase — Redemption for tax reasons*).

Interest: Notes may be interest-bearing or non-interest-bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked. The method of calculating interest may vary between the issue date and maturity date of the relevant Series.

Denominations: Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Negative Pledge: The Senior Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).

Cross Default: None.

Taxation: All payments in respect of Notes will be made free and clear of withholding taxes of the United States of America, unless such withholding is required by law. In that event, the Issuer will (except as provided in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required. See “Tax Redemption” above.

Redenomination: In respect of any Tranche of Notes, if the country of the Specified Currency is, becomes, or announces its intention to become, a Participating Member State, the Notes may be redenominated in Euro in accordance with Condition 22 (*Redenomination*) if so specified in the relevant Final Terms.

Governing Law: English law, except for the subordination provisions set out in Condition 4(b) (*Status — Status of Subordinated Notes*) which are governed by New York law.

Enforcement of Notes in Global Form: In the case of Global Notes, individual investors’ rights against the Issuer will be governed by a Deed of Covenant dated on or about 12 October 2006, a copy of which will be provided free of charge, upon oral or written request, for inspection at the Specified Office of the Fiscal Agent.

Selling Restrictions: For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the United Kingdom and Japan, see “Subscription and Sale” below.

Risk Factors: Investing in Notes issued under the Programme involves certain risks. Set forth below is a summary of the risk factors that the Issuer believes are the principal risks involved in an investment in Notes that will be generally applicable to most Series of Notes. These are set out more fully under “Risk Factors” below. Any risks that are relevant only to a particular Series of Notes will be described in the related Final Terms.

Risks Relating to Citigroup

- The ability of the Issuer to fulfill its obligations under the Notes is dependent on the earnings of its subsidiaries.
- Under U.S. banking law, the Issuer may be required to apply its available funds to support the financial position of its banking subsidiaries, rather than to fulfill its obligations under the Notes.

- A reduction of the Issuer's ratings may reduce the market value and liquidity of the Notes.

Risks Relating to the Notes

- Changes in exchange rates could reduce the market value of the Notes and the value of payments on the Notes to an investor.
- Changes in market interest rates may result in reduced market value of an investment in fixed rate Notes.
- Early repayment of Notes may expose an investor to reinvestment risk.
- Legal investment considerations may restrict investments by some investors.
- Implementation of the EU Savings Directive may affect withholding of tax on Notes.
- A secondary market for a Series of Notes may not develop or may not exist throughout the term of any Series of Notes.
- An investment in Exchangeable Notes will expose an investor to the risks of changes in the value of the relevant Deliverable Assets.
- Trading in the clearing systems.

GENERAL DESCRIPTION OF THE PROGRAMME

The Programme is a US\$55,000,000,000 Euro Medium Term Note Programme under which the Issuer may, from time to time, issue Notes including, without limitation, Fixed Rate Notes, Floating Rate Notes, Index-Linked Notes and Zero Coupon Notes and other Notes subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. The applicable terms of any Notes will be agreed between the Issuer and the Dealers prior to the issue of the Notes and will be set out in the Final Terms of the Notes endorsed on, or attached to, the Notes.

RISK FACTORS

Investing in Notes issued under the Programme involves certain risks. Set forth below are risk factors that the Issuer believes are the principal risks involved in an investment in Notes that will be generally applicable to most Series of Notes. Any risks that are relevant only to a particular Series of Notes will be described in the related Final Terms. If any of the following risks actually occurs, the trading price and/or value at maturity of the Notes of the Issuer could decline and an investor could lose all or part of its investment.

Risks Relating to Citigroup

The ability of the Issuer to fulfill its obligations under the Notes is dependent on the earnings of its subsidiaries.

The Issuer is a holding company that does not engage in any material amount of business activities that generate revenues. The Issuer services its obligations primarily with dividends and advances from its subsidiaries. Its subsidiaries that operate in the banking and securities businesses can only pay dividends if they are in compliance with applicable regulatory requirements imposed on them by federal and state regulatory authorities. Its subsidiaries may also be subject to credit agreements that also may restrict their ability to pay dividends. If such subsidiaries did not realize sufficient earnings to satisfy applicable regulatory requirements, or if such requirements were changed to further restrict the ability of such subsidiaries to pay dividends to the Issuer, the Issuer's ability to fulfill its obligations under the Notes may be adversely affected.

Under U.S. banking law, the Issuer may be required to apply its available funds to support the financial position of its banking subsidiaries, rather than to fulfill its obligations under the Notes.

Under longstanding policy of The Board of Governors of the U.S. Federal Reserve System, a bank holding company (such as the Issuer) is expected to act as a source of financial strength for its subsidiary banks and to commit resources to support such banks. As a result of that policy, the Issuer may be required to commit resources (in the form of investments or loans) to its subsidiary banks in amounts or at times that could adversely affect its ability to also fulfill its obligations under the Notes.

A reduction of the Issuer's ratings may reduce the market value and liquidity of the Notes.

Each rating agency may reduce or withdraw its ratings of the Issuer at any time in the future if, in its judgment, circumstances warrant a change. No rating agency is obligated to maintain its ratings at their current levels. If a rating agency reduces or withdraws its rating of the Issuer, the liquidity and market value of the Notes are likely to be adversely affected.

Risks Relating to the Notes

Changes in exchange rates could reduce the market value of the Notes and the value of payments on the Notes to an investor.

An investment in Notes denominated in a Specified Currency that is not the currency of the investor's jurisdiction (the "investor's currency") entails risks that are not present in a similar investment in a debt security denominated in the investor's currency. These risks include:

- the possibility of significant market changes in rates of exchange between the investor's currency and the Specified Currency; and
- the possibility of significant changes in rates of exchange between the investor's currency and the Specified Currency resulting from official redenomination or revaluation of the Specified Currency or the investor's currency.

These risks depend on factors over which the Issuer has no control and which may not be readily foreseeable, such as economic events (both national and global), political events and the supply of, and demand for, the relevant currencies.

The rates of exchange between currencies in which Notes may be denominated have historically been volatile, and this volatility may be expected in the future. Past fluctuations in particular rates of exchange are not necessarily indicative of future fluctuations that may occur during the term of any Note. Depreciation of the Specified Currency for a particular Note against the investor's currency would result in a reduction of the effective yield of such Note below its coupon rate and could result in a substantial loss to the investor at maturity in terms of the investor's currency.

Changes in market interest rates may result in reduced market value of an investment in fixed rate Notes.

If market interest rates increase after an investor has invested in Notes bearing interest at a fixed rate, the market value of those Notes may be adversely affected.

Early repayment of Notes may expose an investor to reinvestment risk.

Pursuant to Condition 10(b), the Issuer has the right to redeem a Series of Notes prior to its Maturity Date in the event of certain changes in U.S. tax laws. In addition, the Final Terms for a particular Series of Notes may provide that the Issuer has the right to redeem a Series of Notes prior to its Maturity Date at any time or on specified dates. In either event, upon an investor's receipt of the redemption proceeds for his Notes, the investor may not be able to reinvest those proceeds in an investment with a comparable yield to the Notes or in an investment of similar or better credit quality.

Legal investment considerations may restrict investments by some investors.

The investment activities of certain investors are subject to legal investment laws and regulations, or to review or approval by governmental authorities. Each potential investor should consult its advisors to determine whether and to what extent (a) a particular Series of Notes is a legal investment for it, (b) such Series can be used as collateral for borrowings, pledges or repurchase transactions and (c) any other consequences of a proposed investment in Notes. Institutions that are subject to risk-based capital or similar rules should consult their advisors or regulators to determine the treatment of a particular Series of Notes under such rules.

Implementation of the EU Savings Directive may affect withholding of tax on Notes.

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

If an amount of or in respect of tax were to be withheld from any payment pursuant to the measures described above, none of Citigroup, any paying agent or any other person would be obliged to pay additional amounts with respect to any note as a result of the imposition of such withholding tax.

A secondary market for a Series of Notes may not develop or may not exist throughout the term of any Series of Notes.

Series of Notes will generally have no established trading market when issued and one may never develop. If a market does develop, it may be of limited duration or it may not provide sufficient liquidity for investors to be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed trading market.

An investment in Exchangeable Notes will expose an investor to the risks of changes in the value of the relevant Deliverable Assets.

An investment in an Exchangeable Note which may be exchangeable or convertible into or exercisable for or payable in Deliverable Assets may entail significant risks that are not associated with a similar investment in a debt instrument that has a fixed principal amount, is denominated in U.S. dollars and bears interest at either a fixed rate or a floating rate determined by reference to published interest rate references. The risks of a particular Exchangeable Note will depend on the terms of such Note but may include, without limitation, the possibility of significant changes in the prices of securities, currencies, intangibles, goods, articles or commodities or of other objective price, economic or other measures making up the Deliverable Assets. Such risks generally depend on factors over which the Issuer has no control and which cannot readily be foreseen, such as economic and political events and the supply of and demand for the Deliverable Assets. In recent years, currency exchange rates and prices for various types of assets which may comprise the Deliverable Assets for a particular Tranche of Exchangeable Notes have been highly volatile and such volatility may be expected in the future. Fluctuation in prices that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of an Exchangeable Note.

Trading in the clearing systems.

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of Definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination. In relation to Notes which are expressed in the relevant Final Terms to be “Permanent Global Note exchangeable for Definitive Notes” in circumstances other than “in the limited circumstances specified in the Permanent Global Note”, see “Forms of the Notes” and “Form of Final Terms — General Provisions Applicable to the Notes — Form of Notes”.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, are incorporated in, and form part of, this Base Prospectus:

- (1) the 2005 Annual Report on Form 10-K of the Issuer (the “**2005 Report**”) (which contains its published audited consolidated financial statements relating to the Issuer’s financial position as of 31 December 2005 and 2004 and its results of operation and cash flows for each of the 2005, 2004 and 2003 fiscal years) filed with the U.S. Securities and Exchange Commission (the “**Commission**”);
- (2) the 2004 Annual Report on Form 10-K of the Issuer (the “**2004 Report**”), as amended by the Current Report on Form 8-K dated 9 September, 2005 (the “**Amendment**”), (which together contain the most recently published audited consolidated financial statements relating to the financial position of the Issuer as of 31 December 2004 and 2003 and its results of operation and cash flows for each of the 2004, 2003 and 2002 fiscal years), each filed with the Commission; and
- (3) the quarterly interim report on Form 10-Q for the six months ended 30 June 2006 of the Issuer (the “**Quarterly Report**”) (which contains its unaudited consolidated interim financial statements for such period).

The following information appears on the pages of these documents as set out below:

1. unaudited historical consolidated interim financial information of the Issuer in respect of the six months ended 30 June 2006,⁽¹⁾ namely:
 - (a) statement of income Set out on page 82 of the Quarterly Report.
 - (b) balance sheet Set out on page 83 of the Quarterly Report.
 - (c) statement of changes in stockholder’s equity Set out on page 84 of the Quarterly Report.
 - (d) statement of cash flow Set out on page 85 of the Quarterly Report.
 - (e) notes Set out on pages 87 to 117 of the Quarterly Report.
2. audited historical consolidated financial information of the Issuer in respect of the year ending 31 December 2005, 2004, and 2003⁽²⁾ namely:
 - (a) statement of income for 2005, 2004 and 2003 Set out on page 103 of the 2005 Report
 - (b) balance sheet as of 31 December 2005 and 2004 Set out on page 104 of the 2005 Report
 - (c) statement of changes in stockholder’s equity for 2005, 2004 and 2003 Set out on page 105 of the 2005 Report
 - (d) statement of cash flows for 2005, 2004 and 2003 Set out on page 106 of the 2005 Report
 - (e) notes Set out on pages 109 to 170 of the 2005 Report
3. audited consolidated financial information of the Issuer for the years ending 31 December 2004, 2003 and 2002:
 - (a) statement of income for 2004, 2003 and 2002 Set out on page numbered 106 of the 2004 Report, as amended by page 2 of Exhibit 99.02 of the Amendment
 - (b) balance sheet as of 31 December 2004 and 2003 Set out on page numbered 107 of the 2004 Report, as amended by page 3 of Exhibit 99.02 of the Amendment
 - (c) statement of changes in stockholders’ equity for 2004, 2003 and 2002 Set out on page numbered 108 of the 2004 Report, as amended by page 4 of Exhibit 99.02 of the Amendment

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|---|--|--|
| (d) | statement of cash flows for 2004, 2003 and 2002 | Set out on page numbered 109 of the 2004 Report, as amended by page 5 of Exhibit 99.02 of the Amendment |
| (e) | notes to 2004 and 2003 financial statements | Set out on pages numbered 110 to 156 of the 2004 Report, as amended by pages 6 to 52 of Exhibit 99.02 of the Amendment |
| 4. auditor's reports relating to the Issuer | | |
| (a) | auditor's report covering years ending 31 December 2005 and 2004 | Set out on page 102 of the 2005 Report |
| (b) | auditor's report covering years ending 31 December 2004 and 2003 | Set out on page numbered 105 of the 2004 Report, as superseded by page 1 of Exhibit 99.02 of the Amendment |
| 5. other information relating to the Issuer: | | |
| (a) | description of the principal activities of the Issuer ⁽⁴⁾ | Set out on pages 3 to 7 of the Quarterly Report. |
| (b) | description of the principal markets in which the Issuer competes ⁽⁵⁾ | Set out on pages 12 to 80 of the Quarterly Report. |
| 6. financial information relating to Citibank, N.A. | | |
| (a) | audited balance sheets as of 31 December 2005 and 2004 | Set out on page 108 of the 2005 Report |
| (b) | unaudited balance sheet as of 30 June 2006 | Set out on page 86 of the Quarterly Report |

(1) This information is included in the Base Prospectus pursuant to Annex IV, 13.5.1 of Commission Regulation (EC) No 809/2004.

(2) This information is included in the Base Prospectus pursuant to Annex IV, 13.1 of Commission Regulation (EC) No 809/2004.

(3) This information is included in the Base Prospectus pursuant to Annex IV, 13.1 of Commission Regulation (EC) No 809/2004.

(4) This information is included in the Base Prospectus pursuant to Annex IV, 6.1 of Commission Regulation (EC) No 809/2004.

(5) This information is included in the Base Prospectus pursuant to Annex IV, 6.2 of Commission Regulation (EC) No 809/2004.

This Base Prospectus and the documents incorporated by reference will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, all quarterly interim reports on Form 10-Q of the Issuer, its Annual Reports on Form 10-K for fiscal years after 2005 and any other reports filed by the Issuer with the Commission pursuant to Section 13, 14 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the rules and regulations thereunder, subsequent to the date of the financial statements included in the 2005 Annual Report on Form 10-K referred to in sub-clause (1) will be filed by the Issuer with the Commission and will be available to the public on the Commission’s Internet Site (address: <http://www.sec.gov>).

The Issuer will, at the specified offices of the Paying Agents (as defined herein), make available free of charge a copy of this Base Prospectus (and any document incorporated by reference in this Base Prospectus, other than exhibits to such documents). Requests for such documents should be directed to the specified office of any Paying Agent or the specified office of the Listing Agent in Luxembourg (the “**Luxembourg Listing Agent**”).

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is included for informational purposes only or is covered elsewhere in this Base Prospectus.

SUPPLEMENTS TO THIS BASE PROSPECTUS

The Issuer has undertaken, in connection with the listing of the Notes on the Luxembourg Stock Exchange, that so long as any Notes remain outstanding and are listed on the Luxembourg Stock Exchange, if there shall occur any adverse change in the business or financial position of the Issuer or any change in the information set out under “Terms and Conditions of the Notes”, that is material in the context of issuance under the Programme, the Issuer will either prepare a supplement to this Base Prospectus or publish a new Base Prospectus, for use in connection with any subsequent issue by the Issuer of Notes to be listed on the Luxembourg Stock Exchange.

FORMS OF THE NOTES

Unless otherwise specified in the applicable Final Terms, each Tranche of Notes will initially be in the form of a temporary global note (the “**Temporary Global Note**”), without interest coupons. Each Temporary Global Note which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche with a depository or a common depository for Euroclear Bank S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme, Luxembourg (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system or delivered outside a clearing system, as otherwise agreed by the Issuer and the relevant Dealer and each Temporary Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “Standards for the use of EU securities settlement systems in ESCB credit operations” of the central banking system for the euro (the “**Eurosystem**”), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used. Any reference in this section “Forms of the Notes” to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Temporary Global Note exchangeable for Permanent Global Note

A Temporary Global Note will be exchangeable, in whole or in part, for interests in a permanent global note (the “**Permanent Global Note**”), without interest coupons, not earlier than the Exchange Date (as defined in “Summary of the Programme — Forms of Notes”) for the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form (“**Definitive Notes**”):

- (i) on the expiry of any period of notice specified in the relevant Final Terms;
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) upon the occurrence of an event of default (as defined in Condition 13 (*Events of Default*)) in respect of any Note of that Series or (c) upon the occurrence of a change in the tax law of the United States or the domicile of the Issuer by reason of which the Issuer is required to withhold or deduct a sum from any payment in respect of the Notes or (d) upon the occurrence of any other event specified in the relevant Final Terms that would not prevent settlement and clearance of the Notes through Euroclear and/or Clearstream, Luxembourg.

If the relevant Final Terms specify the form of Notes as “Permanent Global Note exchangeable for Definitive Notes” in circumstances other than “in the limited circumstances specified in the Permanent Global Note”, such Notes may only be issued in denominations equal to or greater than the specified “Minimum Denomination” and integral multiples thereof.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than the Exchange Date (as defined in “Summary of the Programme — Forms of Notes”) for the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the initial principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Exchange of Notes

Each exchange of an interest in a Temporary Global Note or Permanent Global Note as described above will be made free of any charge to the bearer.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “Terms and Conditions of the Notes” below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions that would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

Legend concerning United States persons

Each Note (irrespective of whether it is in global form or definitive form) and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1. Introduction

(a) Programme

Citigroup Inc. (the “**Issuer**”) has established a Euro Medium-Term Note Programme (the “**Programme**”) for the issuance of up to U.S.\$55,000,000,000 in aggregate principal amount of notes (the “**Notes**”) outstanding at any one time.

(b) Final Terms

Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of final terms (the “**Final Terms**”) which supplement these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) Agency Agreement

The Notes are the subject of an amended and restated issue and paying agency agreement dated on or about 12 October 2006 (as amended or supplemented from time to time up to and including the Issue Date of the Notes, the “**Agency Agreement**”) between the Issuer, Citibank, N.A. as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).

(d) The Notes

All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg, the initial Specified Offices of which are set out below.

(e) Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to its detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

(a) Definitions

In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“Business Day” means:

- (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“Business Day Convention”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”, “Floating Rate Convention”** or **“Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Coupon Sheet” means, in respect of a Note, a coupon sheet relating to the Note;

“Day Count Fraction” means (subject as provided in Condition 6 and Condition 7), in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if **“Actual/365”** or **“Actual/Actual”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;

- (iii) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (v) if **“30E/360”** or **“Eurobond Basis”** is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

“Early Redemption Amount (Tax)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Early Termination Amount” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

“Extraordinary Resolution” has the meaning given in the Agency Agreement;

“Final Redemption Amount” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Fixed Coupon Amount” has the meaning given in the relevant Final Terms;

“FSMA” means the Financial Services and Markets Act 2000;

“Indebtedness” means any and all obligations of a corporation for money borrowed which in accordance with U.S. generally accepted accounting principles would be reflected on the balance sheet of such corporation as a liability on the date as of which the Indebtedness is to be determined;

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“Interest Determination Date” has the meaning given in the relevant Final Terms;

“Interest Payment Date” means the date or dates specified as such in, or determined in accordance with, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“ISDA Definitions” means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc. (formerly the International Swap Dealers Association, Inc.));

“Issue Date” has the meaning given in the relevant Final Terms;

“Margin” has the meaning given in the relevant Final Terms;

“Maturity Date” has the meaning given in the relevant Final Terms;

“Maximum Redemption Amount” has the meaning given in the relevant Final Terms;

“Minimum Redemption Amount” has the meaning given in the relevant Final Terms;

“Non-United States Person” means a person who is not a United States Person;

“Optional Redemption Amount (Call)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Amount (Put)” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“Optional Redemption Date (Call)” has the meaning given in the relevant Final Terms;

“Optional Redemption Date (Put)” has the meaning given in the relevant Final Terms;

“Participating Member State” means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

“Payment Business Day” means:

- (i) if the currency of payment is Euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Person” means any individual, company, corporation, firm, partnership, limited liability company, joint venture, association, trust, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms, or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early

Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Reference Banks**” has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“**Reference Price**” has the meaning given in the relevant Final Terms;

“**Reference Rate**” has the meaning given in the relevant Final Terms;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms;

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, the Reuters Markets 3000 and Telerate) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms;

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“**Senior Indebtedness**” means

- (i) the principal, premium, if any, and interest in respect of
 - (A) indebtedness of the Issuer for money borrowed; and
 - (B) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by the Issuer including all indebtedness (whether now or hereafter outstanding) issued under the indenture dated as of 15 March 1987 between the Issuer and The Bank of New York, as trustee, as the same may be amended, modified or supplemented from time to time;
- (ii) all capital lease obligations of the Issuer;
- (iii) all obligations of the Issuer issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Issuer and all obligations of the Issuer under any conditional sale or title retention agreement (but excluding trade accounts payable in the ordinary course of business);
- (iv) all obligations, contingent or otherwise, of the Issuer in respect of any letters of credit, banker’s acceptance, security purchase facilities and similar credit transactions;
- (v) all obligations of the Issuer in respect of any interest rate swap, cap or other agreements, interest rate future or option contracts, currency swap agreements, currency future or option contracts and other similar agreements;
- (vi) all obligations of the type referred to in clauses (i) to (v) above of other Persons for the payment of which the Issuer is responsible or liable as obligor, guarantor or otherwise; and
- (vii) all obligations of the type referred to in clauses (i) to (vi) of other Persons secured by any lien on any property or asset of the Issuer (whether or not such obligation is assumed by the Issuer), except that Senior Indebtedness shall not include:

any indebtedness issued prior to July 23, 2004 under the indenture dated as of 12 April, 2001 between the Issuer and J.P. Morgan Trust Company, N.A.;

any indebtedness issued by the Issuer under an indenture with Bank One Trust Company N.A., dated as of July 17, 1998, as supplemented;

any indebtedness issued by the Issuer before May 31, 2004 under the indenture, dated as of October 7, 1996, between Citigroup and JPMorgan Chase Bank, as supplemented (the “1996 junior subordinated debt indenture”);

any guarantee entered into by the Issuer before May 31, 2004 in respect of any preferred securities, capital securities or preference stock of a trust to which the Issuer issued any indebtedness under the 1996 junior subordinated debt indenture; and

any indebtedness or any guarantee that is by its terms subordinated to, or ranks equally with the Subordinated Notes and the issuance of which (x) has received the concurrence or approval of the staff of the Federal Reserve Bank of New York or the staff of the Board of Governors of the Federal Reserve System or (y) does not at the time of issuance prevent the Subordinated Notes from qualifying for Tier 2 capital treatment (irrespective of any limits on the amount of the Issuer’s Tier 2 capital) under the applicable capital adequacy guidelines, regulations, policies or published interpretations of the Board of Governors of the Federal Reserve System.

“Significant Subsidiary” means a Subsidiary, including its Subsidiaries, which meets any of the following conditions:

- (i) the Issuer and its other Subsidiaries’ investments in and advances to the Subsidiary exceed 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- (ii) the Issuer and its other Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10% of the total assets of the Issuer and its Subsidiaries consolidated as of the end of the most recently completed fiscal year; or
- (iii) the Issuer and its other Subsidiaries’ equity in the income from continuing operations before income taxes, extraordinary items and cumulative effect of a change in accounting principles of the Subsidiary exceeds 10% of such income of the Issuer and its Subsidiaries consolidated for the most recently completed fiscal year. For the purposes of making such prescribed income test, the following shall be applicable:
 - (A) when a loss has been incurred by either the Issuer and its Subsidiaries consolidated or the tested Subsidiary, but not both, the equity in the income or loss of the tested Subsidiary shall be excluded from the income of the Issuer and its Subsidiaries consolidated for purposes of the computation; and
 - (B) if income of the Issuer and its Subsidiaries consolidated for the most recent fiscal year is at least 10% lower than the average of the income for the last five fiscal years, such average income shall be substituted for the purposes of the computation. Any loss years shall be omitted for purposes of computing average income;

“Specified Currency” has the meaning given in the relevant Final Terms;

“Specified Denomination(s)” has the meaning given in the relevant Final Terms;

“Specified Office” of any Agent means the office specified against its name in Schedule 2 of the Agency Agreement or, in the case of any Agent not originally party thereto, specified by notice to the Issuer in accordance with the Agency Agreement;

“Specified Period” has the meaning given in the relevant Final Terms;

“Subsidiary” means any corporation of which securities entitled to elect at least a majority of such corporation’s directors shall at the time be owned, directly or indirectly, by the Issuer and/or one or more Subsidiaries;

“Talon” means a talon for further Coupons;

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

“TEFRA D Rules” means the U.S. Treasury regulation §§ 1.163-5(c)(1) and 1.163-5(c)(2)(i)(D);

“Treaty” means the Treaty establishing the European Communities, as amended;

“United States” means the United States of America, which includes only the States and the District of Columbia;

“United States Person” means:

- (i) any individual who is a citizen or resident of the United States;
- (ii) any corporation, partnership or other entity created or organised in or under the laws of the United States;
- (iii) any estate if the income of such estate falls within the federal income tax jurisdiction of United States regardless of the source of such income; and
- (iv) any trust if a United States court is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or the trust elects under U.S. Treasury Regulations to be treated as a United States person;

“Voting Stock” means capital stock the holders of which have general voting power under ordinary circumstances to elect at least a majority of the directors of a corporation, provided that capital stock which carries only a right to vote conditional on the happening of an event shall not be considered voting stock, whether or not such event has happened; and

“Zero Coupon Note” means a Note specified as such in the relevant Final Terms.

(b) Interpretation

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement; and
- (vii) if an expression is stated in Condition 2(a) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable”, then such expression is not applicable to the Notes.

3. Form, Denomination and Title

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. A person who is not a holder of a Note or Coupon has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of such Note or Coupon.

4. Status

(a) Status of Senior Notes

If specified in the applicable Final Terms, Notes issued on an unsubordinated basis (“**Senior Notes**”) constitute direct, unconditional, unsubordinated and (without prejudice to the provisions of Condition 5

(*Negative Pledge*)) unsecured obligations of the Issuer and will at all times rank *pari passu* and rateably without any preference among the obligations of the Issuer in respect of other Senior Notes of the same Series of the Issuer and (subject to any applicable statutory exceptions and without prejudice to the provisions of Condition 5 (*Negative Pledge*)) at least *pari passu* with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(b) *Status of Subordinated Notes*

If specified in the applicable Final Terms, Notes issued on a subordinated basis (“**Subordinated Notes**”) are subordinated and junior, to the extent and in the manner set out herein, in right of payment to the prior payment in full of Senior Indebtedness and will rank *pari passu* in right of payment with the debt securities issued or issuable by the Issuer under the indenture dated as of 12 April 2001 between the Issuer and J.P. Morgan Trust Company, N.A.

In the event that the Issuer shall default in the payment of any principal (or premium, if any) or interest due and payable, after any applicable grace period, whether at maturity or at a date fixed for prepayment or by declaration or otherwise, on any Senior Indebtedness then, unless such default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property, securities by set-off or otherwise) shall be made or agreed to be made on account of the principal, premium (if any) or interest on any of the Subordinated Notes, or in respect of any redemption, retirement or acquisition of any of the Subordinated Notes, except that holders of Subordinated Notes may receive and retain securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) with respect to the Subordinated Notes, to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment.

In the event of any insolvency, bankruptcy, receivership, liquidation, reorganisation, composition or other similar proceedings, in respect of the Issuer, its creditors or its property, or of any proceedings for the liquidation, dissolution or other winding up of the Issuer, voluntary or involuntary, whether or not involving insolvency or bankruptcy, or any assignment by the Issuer for the benefit of creditors or any other marshalling of the assets of the Issuer;

then:

- (A) the holders of all Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon before the holders of any of the Subordinated Notes are entitled to receive a payment on account of the principal of (or premium, if any) or interest on the indebtedness evidenced by the Subordinated Notes;
- (B) any payment or distribution of any kind or character, whether in cash, property or securities (other than securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment), to which the holders of any of the Subordinated Notes would be entitled except for the provisions of this Condition 4(b) shall be paid or delivered by the person making such payment or distribution directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued in accordance with the priorities then existing among holders of such Senior Indebtedness until all Senior Indebtedness has been paid in full before any payment or distribution is made to the holders of the indebtedness evidenced by the Subordinated Notes under these Conditions; and
- (C) in the event that, notwithstanding the foregoing, any payment or distribution of any kind or character, whether in cash, property or securities (other than securities of the Issuer or any other corporation provided for by a plan of reorganisation or readjustment, the payment of which is subordinate, at least to the extent provided in this Condition 4(b) with respect to the Subordinated Notes, to the payment of all Senior Indebtedness then outstanding and to any securities issued in respect of Senior Indebtedness under such plan of reorganisation or readjustment) shall be received by the holders of any of the Subordinated Notes before all Senior Indebtedness is paid in full, such payment or distribution shall be received in trust for the benefit of, and shall be paid over to the holders of, such Senior Indebtedness or their representative or representatives or to the trustee

or trustees under any indenture under which any instruments evidencing any such Senior Indebtedness may have been issued in accordance with the priorities then existing among holders of such Senior Indebtedness until all such Senior Indebtedness shall have been paid in full. Senior Indebtedness shall not be deemed to have been repaid in full unless the holders thereof have received cash, securities or other property equal to the amount of such Senior Indebtedness then outstanding. Upon the payment in full of all Senior Indebtedness, the holders of the Subordinated Notes shall be subrogated to all rights of the holders of Senior Indebtedness to receive all further payments or distributions applicable to the Senior Indebtedness unless the indebtedness evidenced by the Subordinated Notes then outstanding shall have been paid in full, and such payments or distributions received by holders of Subordinated Notes by reason of such subrogation shall as between the Issuer and its creditors other than holders of such Senior Indebtedness and the holders of the Subordinated Notes be deemed to be a payment by the Issuer on account of such Senior Indebtedness and not on account of the Subordinated Notes.

Nothing contained in this Condition 4(b) shall impair, as between the Issuer and the holders of the Subordinated Notes, the obligation of the Issuer, which is absolute and unconditional, to pay to the holders of the Subordinated Notes relating thereto the principal of (and premium, if any) and interest on the Subordinated Notes and the amounts owed pursuant to any Coupons as and when the same shall become due and payable in accordance with their terms, or shall prevent any holder of the Subordinated Notes from exercising all rights, powers and remedies otherwise permitted by applicable law upon the occurrence of a default under these Conditions, subject to the rights under this Condition 4(b) of the holders of Senior Indebtedness to receive cash, property or securities otherwise payable or receivable by holders of Subordinated Notes. Upon payment or distribution of assets of the Issuer referred to in this Condition 4(b), the holders of the Subordinated Notes shall be entitled to rely upon an order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation, reorganisation or arrangement proceeding affecting the affairs of the Issuer is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or other person making such payment or distribution, delivered to the Fiscal Agent or to the holders of the Subordinated Notes, for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Issuer, the amount thereof or payable thereon, the amount paid or distributed thereon and all other facts pertinent thereto or to this Condition 4(b). Nothing contained in this Condition 4(b) shall prevent any Paying Agent from paying any amounts due and payable to any Subordinated Noteholder from monies deposited with it by the Issuer in relation to such amounts due and owing if, at the time of such deposit, (x) such payment would not have been prohibited by this Condition 4(b) or (y) such Paying Agent had not received written notice of any event prohibiting the making of such payment.

Unless otherwise specified in the Final Terms relating to any series of Subordinated Notes, payment of principal of the Subordinated Notes may be accelerated only in the case of the bankruptcy or insolvency of the Issuer. There is no right of acceleration in the case of a default in the payment of principal of, premium, if any, or interest on the Subordinated Notes or the performance of any other covenant of the Issuer contained in the Terms and Conditions. Upon a default in the payment of principal of, premium, if any, or interest, or the performance of any other covenant in the Terms and Conditions, Subordinated Noteholders may, subject to certain limitations and conditions, seek to enforce payment of such principal, premium, or interest or the performance of such covenant.

No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Issuer or by any non-compliance by the Issuer with the terms, provisions and convenience of these Conditions, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

5. Negative Pledge

In relation to issues of Senior Notes, so long as any Senior Note remains outstanding, the Issuer will not, and will not permit any Subsidiary to, incur, issue, assume or guarantee any Indebtedness if such Indebtedness is secured by a pledge of, lien on, or security interest in any shares of Voting Stock of any Significant Subsidiary, whether such Voting Stock is owned now or acquired in the future, without effectively providing that the Senior Notes (together with, if the Issuer shall so determine, any other indebtedness or obligations of the Issuer or any Subsidiary ranking equally with such Senior Notes and then existing or thereafter created) shall be secured equally and rateably with such Indebtedness. For the purposes of the foregoing, pledging, placing a lien on or creating a security interest in any shares of Voting Stock of a

Significant Subsidiary in order to secure then outstanding Indebtedness of the Issuer or any Subsidiary shall be deemed to be the incurrence, issuance, assumption or guarantee (as the case may be) of such Indebtedness, but the foregoing shall not apply to Indebtedness secured by a pledge of, lien on or security interest in any shares of Voting Stock of any corporation at the time it becomes a Significant Subsidiary, including extensions, renewals and replacements of such Indebtedness without an increase in the amount thereof.

6. Fixed Rate Note Provisions

(a) Application

This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) Regular Interest Periods

If all of the Interest Payment Dates fall at regular intervals between the Issue Date and the Maturity Date, then:

- (i) the Notes shall for the purposes of this Condition 6 be “**Regular Interest Period Notes**”;
- (ii) the day and month (but not the year) on which any Interest Payment Date falls shall for the purposes of this Condition 6 be a “**Regular Date**”; and
- (iii) each period from and including a Regular Date falling in any year to but excluding the next succeeding Regular Date shall for the purposes of this Condition 6 be a “**Regular Period**”.

(e) Irregular first or last Interest Periods

If the Notes would be Regular Interest Period Notes but for the fact that either or both of:

- (i) the interval between the Issue Date and the first Interest Payment Date; and
- (ii) the interval between the Maturity Date and the immediately preceding Interest Payment Date

is longer or shorter than a Regular Period, then the Notes shall nevertheless be deemed to be Regular Interest Period Notes *provided, however, that* if the interval between the Maturity Date and the immediately preceding Interest Payment Date is longer or shorter than a Regular Period, the day and month on which the Maturity Date falls shall not be a “**Regular Date**”.

(f) Irregular interest amount

If the Notes are Regular Interest Period Notes, the amount of interest payable in respect of each Note for any period which is not a Regular Period shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a “**sub-unit**” means, in the case of any currency other than Euro, the lowest amount of such

currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

(g) Day Count Fraction

In respect of any period which is not a Regular Period the relevant day count fraction (the “**Day Count Fraction**”) shall be determined in accordance with the following provisions:

- (i) if the Day Count Fraction is specified in the relevant Final Terms as being 30/360, the relevant Day Count Fraction will be the number of days in the relevant period (calculated on the basis of a year of 360 days consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed) divided by 360;
- (ii) if the Day Count Fraction is specified in the relevant Final Terms as being Actual/Actual (ISDA) and the relevant period falls during a Determination Period, the relevant Day Count Fraction will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the product of (A) the number of days in the Determination Period in which the relevant period falls including the first day but excluding the last and (B) the number of Determination Periods normally ending in one year;
- (iii) if the Day Count Fraction is specified in the relevant Final Terms as being Actual/Actual (ICMA) and the Accrual Period is equal to or shorter than the Determination Period during which it falls, interest will be calculated on the basis of the number of days in the Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
- (iv) the Day Count Fraction is specified in the relevant Final Terms as being Actual/Actual (ICMA) and the Accrual Period is longer than one Determination Period, interest will be calculated on the basis of the sum of:
 - (A) the number of days in such Accrual Period falling within the Determination Period in which it begins divided by the product of (1) the number of days in the first such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year.

where:

“**Accrual Period**” means the relevant period for which interest is to be calculated (from and including the first such day to but excluding the last); and

“**Determination Period**” means the period from and including the date on which interest is normally paid to but excluding the next such date on which interest is normally paid.

(h) Number of days

For the purposes of this Condition 6, unless the Day Count Fraction is specified in the relevant Final Terms as being 30/360 (in which case the provisions of paragraph (g)(i) above shall apply), the number of days in any period shall be calculated on the basis of actual calendar days from and including the first day of the relevant period to but excluding the last day of the relevant period.

(i) Irregular Interest Periods

If the Notes are not Regular Interest Period Notes and interest is required to be calculated for any period other than an Interest Period, interest shall be calculated on such basis as is described in the relevant Final Terms.

7. Floating Rate Note and Index-Linked Interest Note Provisions

(a) Application

This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Screen Rate Determination

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

(d) ISDA Determination

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation

Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is the period specified in the relevant Final Terms; and
- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.

(e) Index-Linked Interest

If the Index-Linked Interest Note Provisions are specified in the relevant Final Terms as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms.

(f) Maximum or Minimum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(g) Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.

(h) Calculation of other amounts

If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(i) Publication

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) on which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to amend any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(j) Notifications, etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. Zero Coupon Note Provisions

(a) Application

This Condition 8 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. Dual Currency Note Provisions

(a) Application

This Condition 9 is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Final Terms as being applicable.

(b) Rate of Interest

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

10. Redemption and Purchase

(a) Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).

Exchangeable Notes may be convertible into or exchangeable or exercisable for or payable in, among other things, other securities, notes, contracts, currencies, commodities or other forms of property, rights or interests or any combination thereof (“**Deliverable Assets**”). Specific terms relating to the exchangeable Notes, including with respect to the Final Redemption Amount thereof, will be described in the applicable Final Terms. In this regard, the term “**payment**” as used in these Conditions shall include the delivery of the Deliverable Assets required or permitted to be delivered pursuant to these Conditions, and the term “**principal**” shall mean or include any Deliverable Assets.

(b) Redemption for tax reasons

- (i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice in accordance with Condition 19 (*Notices*) (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with accrued interest, if any, if the Issuer has or will become obliged to pay additional interest on such Notes pursuant to Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of the United States or any change in the application or official interpretation of such laws, regulations or rulings, which change or amendment becomes effective on or after the date on which any person (including any person acting as underwriter, broker or dealer) agrees to purchase any of such Notes pursuant to their original issuance, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such additional interest were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 10, the Issuer shall deliver to the Fiscal Agent (A) a certificate signed by an officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting

forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) a legal opinion, from lawyers of recognised standing in the United States, to the effect that the Issuer has or will become obligated to pay such additional interest as a result of such change or amendment.

- (ii) Unless otherwise specified in the Final Terms, if the Issuer shall determine that any payment made outside the United States by the Issuer or any of its Paying Agents in respect of any Note, Coupon or Talon, (an “**Affected Note**”) would, under any present or future laws or regulations of the United States, be subject to any certification, documentation, information or other reporting requirement of any kind, the effect of which requirement is the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Affected Note that is a Non-United States Person (other than such a disclosure requirement that is an “Exempt Requirement” as defined below) then the Issuer shall elect either to redeem such Affected Notes in whole, but not in part, at their Early Redemption Amount (Tax), together with accrued interest, if any, or if the conditions of the next succeeding paragraph are satisfied, to pay the additional interest specified in such paragraph. An “Exempt Requirement” is a requirement relating to such disclosure (A) that would not be applicable to a payment made by the Issuer or any one of its Paying Agents (1) directly to the beneficial owner or (2) to a custodian, nominee or other agent of the beneficial owner, or (B) that can be satisfied by such custodian, nominee or agent certifying to the effect that the beneficial owner is a Non-United States Person, *provided* that, in any case referred to in clause (A)(2) or (B), payment by the custodian, nominee or agent to the beneficial owner is not otherwise subject to any such disclosure requirement). The Issuer shall make such determination and election as soon as practicable and publish prompt notice thereof (the “**Determination Notice**”), stating the effective date of such certification, documentation, information or other reporting requirement, whether the Issuer elects to redeem the Affected Notes or to pay the additional interest specified in the next succeeding paragraph and (if applicable) the last date by which the redemption of the Affected Notes must take place (the “**Redemption Date**”), as provided in the next succeeding sentence. If any Affected Notes are to be redeemed pursuant to this paragraph, the redemption shall take place on such date, not later than one year after the publication of the Determination Notice, as the Issuer shall specify by notice given to the Fiscal Agent at least 60 days before the Redemption Date *provided* that redemption of any Note, Coupon or Talon, if any, in respect of a Note to which the Floating Rate Note Provisions, as specified in the relevant Final Terms, apply shall only occur on an Interest Payment Date in respect of such Note. Notice of such redemption shall be given to the holders of the Affected Notes not more than 60 days or less than 30 days prior to the Redemption Date. Notwithstanding the foregoing, the Issuer shall not so redeem the Affected Notes if the Issuer shall subsequently determine, not less than 30 days prior to the Redemption Date, that subsequent payments on the Affected Notes would not be subject to any such certification, documentation, information or other reporting requirement, in which case the Issuer shall publish prompt notice of such subsequent determination, and any earlier redemption notice given pursuant to this paragraph shall be revoked and of no further effect. Prior to the publication of any Determination Notice pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent (I) a certificate signed by an officer of the Issuer stating that the Issuer is entitled to make such determination and setting forth a statement of facts showing that the conditions precedent to the obligation of the Issuer to redeem the Affected Notes or to pay the additional interest specified in the next succeeding paragraph have occurred and (II) a legal opinion, from lawyers of recognised standing in the United States, to the effect that such conditions have occurred.

If and so long as the certification, documentation, information or other reporting requirement referred to in the preceding paragraph would be fully satisfied by payment of a back-up withholding tax or similar charge, the Issuer may elect to pay as additional interest such amounts as may be necessary so that every net payment made outside the United States following the effective date of such requirement by the Issuer or any of its Paying Agents in respect of any Affected Note of which the beneficial owner is a Non-United States Person (but without any requirement that the nationality, residence or identity of such beneficial owner be disclosed to the Issuer, any Paying Agent or any governmental authority), after deduction or withholding for or on account of such back-up withholding tax or similar charge (other than a backup withholding tax or similar charge that (i) would not be applicable in the circumstances referred to in the second sentence of the preceding paragraph or (ii) is imposed as a result of presentation of any such Affected Note for payment more than 15 days after the Relevant Date), will not be less than the

amount provided in any such Affected Note to be then due and payable. If the Issuer elects to pay additional interest pursuant to this paragraph, then the Issuer shall have the right to redeem the Affected Notes at any time in whole, but not in part, at their Early Redemption Amount (Tax) together with accrued interest, if any, subject to the provisions of the last three sentences of the immediately preceding paragraph. If the Issuer elects to pay additional interest pursuant to this paragraph and the condition specified in the first sentence of this paragraph should no longer be satisfied, then the Issuer shall redeem the Affected Notes in whole, but not in part, at their Early Redemption Amount (Tax), together with accrued interest, if any, subject to the provisions of the last three sentences of the immediately preceding paragraph. Any redemption payments made by the Issuer pursuant to the two immediately preceding sentences shall be subject to the continuing obligation of the Issuer to pay additional interest pursuant to this paragraph. If the Affected Notes are to be redeemed pursuant to this paragraph, the redemption shall take place on such date, not later than one year after publication of the notice of redemption, as the Issuer shall specify by notice to the Fiscal Agent at least 60 days prior to the Redemption Date.

(c) Redemption at the option of the Issuer

If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) Partial redemption

If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) Redemption at the option of Noteholders

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.

(f) No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.

(g) Early redemption of Zero Coupon Notes

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) In respect of any Notes which are listed on the Luxembourg Stock Exchange and are to be redeemed as provided in paragraphs (b) to (e) above, the Issuer shall notify the Luxembourg Stock Exchange of such redemption.

(i) Purchase and Cancellation

The Issuer or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. All Notes so redeemed or purchased by the Issuer or any of its Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. Payments

(a) Principal

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is Euro, any other account to which Euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a Sterling cheque, a town clearing branch of a bank in the City of London), other than in the United States. No payments on Notes will be made by mail to an address in the United States or by transfer to an account maintained by the holder in the United States.

(b) Interest

Payments of interest shall, subject to paragraph (c) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons (if any) at the Specified Office of any Paying Agent outside the United States and its possessions in the manner described in paragraph (a) above.

(c) Payments in New York City

In respect of Notes denominated in U.S. dollars only, payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the expectation that such Paying Agents will be able to make payment of the full amount of principal and interest on the Notes in U.S. dollars when due, (ii) payment of the full amount of such principal or interest in U.S. dollars at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law (the TEFRA D Rules).

(d) Payments subject to fiscal laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) Deductions for unmatured Coupons

If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
 - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) Unmatured Coupons void

If the relevant Final Terms specifies that this Condition 11(f) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(c) (*Redemption at the option of the Issuer*), Condition 10(d) (*Partial Redemption*), Condition 10(e) (*Redemption at the option of Noteholders*), or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) Payments on business days

If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States and its possessions (or in New York City if permitted by paragraph (c) above).

(i) Partial payments

If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) *Exchange of Talons*

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent or the Paying Agent with its Specified Office in Luxembourg for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. Taxation

The Issuer will, subject to the exceptions and limitations set forth below, pay as additional amounts to the holder of any Note, Coupon or Talon that is a Non-United States Person such amounts as may be necessary so that every net payment on such Note, Coupon or Talon, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States, will not be less than the amount provided in such Note, Coupon or Talon to be then due and payable. However, the Issuer will not be required to make any such payment of additional amounts for or on account of:

- (i) any tax, assessment or other government charge that would not have been imposed but for (A) the existence of any present or former connection between a Noteholder or Couponholder (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holders, if such holder is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (B) such Noteholder or Couponholder's past or present status as a personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organisation with respect to the United States, passive foreign investment company, controlled foreign corporation or as a corporation that accumulates earnings to avoid United States federal income tax; or
- (ii) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 21 January 2003 on the taxation of savings income (the "**Directive**") or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iii) a holder who would have been able to avoid such withholding or deduction imposed under (ii) above: (A) by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or (B) by satisfying any statutory or procedural requirements including, without limitation, the provision of information; or
- (iv) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property tax or any similar tax, assessment or other governmental charge; or
- (v) any tax, assessment or other governmental charge that would not have been imposed but for:
 - (A) the presentation by the holder of a Note, Coupon or Talon for payment more than 30 days after the Relevant Date; or
 - (B) a change in law, regulation or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later; or
- (vi) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note, Coupon or Talon; or
- (vii) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, Coupon or Talon, if such payment can be made without such deduction or withholding by any other Paying Agent; or
- (viii) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, documentation, identification, information or other

- reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or the beneficial owner of a Note, Coupon or Talon if such compliance is required by statute or regulation of the United States or by a tax treaty of the United States, as a precondition to relief or exemption from such tax, assessment or other government charge; or
- (ix) any tax, assessment or other governmental charge imposed on a holder that actually owns or is deemed to own 10% or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership or by reason of the holder being a bank that has invested in a Note as an extension of credit in the ordinary course of its trade or business; or
 - (x) a payment on a Note, Coupon or Talon to a holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional interest had such beneficiary, settlor, member or beneficial owner been the holder of such Note, Coupon or Talon; or
 - (xi) any combination of sub-paragraphs (i) to (x) above.

13. Events of Default

- (a) **“event of default”** with respect to a Senior Note of a particular Series means any one of the following events (whatever the reason for such event of default and whether it shall be voluntary or involuntary or effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):
 - (i) *Non-payment of interest*: default in the payment of any interest upon any Senior Note of that Series or any payment with respect to the Coupons, if any, when and as it becomes payable, and continuance of such default for a period of 30 days; or
 - (ii) *Non-payment of principal*: default in the payment of principal (other than a scheduled instalment payment to a sinking fund) or premium, if any, on any Senior Note of such Series when and as it becomes payable; or
 - (iii) *Non-payment of scheduled instalment payment to a sinking fund*: default in the payment of any required instalment payment to a sinking fund when and as it becomes payable on any Senior Note of such Series and continuance of such default for a period of 30 days; or
 - (iv) *Breach of other obligations*: default in the performance or observance of any covenant or agreement of the Issuer in these Conditions or the Agency Agreement (other than a covenant or agreement solely for the benefit of holders of another Series of Senior Notes or a covenant or agreement a default in whose performance or observance is specifically dealt with elsewhere in this Condition 13) and continuance of such default for a period of 90 days after there has been given, to the Issuer and the Fiscal Agent by the holders of at least 25% in principal amount of the Senior Notes of that Series outstanding (as defined in the Agency Agreement), a written notice specifying such default and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or
 - (v) *Insolvency*: the entry of a decree or order for relief in respect of the Issuer by a court having jurisdiction in the premises in an involuntary case under the U.S. Federal bankruptcy laws, as now or hereafter constituted, or any other applicable U.S. Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) of the Issuer or substantially all of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or
 - (vi) *Voluntary insolvency*: the commencement by the Issuer of a voluntary case under the U.S. Federal bankruptcy laws, as now or hereafter constituted, or any other applicable U.S. Federal or State bankruptcy, insolvency or other similar law now or hereafter in effect, or the consent by it to the entry of an order for relief in an involuntary case under any such law or to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Issuer or for substantially all of its property, or the making by it of an assignment for the benefit of its creditors; or

- (vii) *Other specified events*: the occurrence of any other event of default with respect to the Senior Notes of such Series as provided in the relevant Final Terms.

No event of default with respect to Senior Notes of a particular Series shall constitute an event of default with respect to Senior Notes of any other Series, except with respect to an event of default under subparagraphs (iv), (v) and (vi) of this Condition 13(a).

- (b) “**event of default**” with respect to a Subordinated Note of a particular Series means any of the events described in Condition 13(a)(v), (vi) and (if so provided with respect to the Subordinated Notes of such Series in the relevant Final Terms) (vii). A “**default**” with respect to a Subordinated Note of a particular Series means an event of default with respect to such Subordinated Note as well as any of the events described in Condition 13(a)(i), (ii), (iii) and (iv), as these events relate to a Subordinated Note of such Series.
- (c) Subject to these Terms and Conditions, if an event of default with respect to the Notes of a particular Series at the time outstanding occurs and is continuing, then in such case the holders of not less than 25% in principal amount of the outstanding Notes of such Series may declare the Early Redemption Amount (Default) (being the amount so specified in the applicable Final Terms and if no such amount is specified, the principal amount thereof) and all accrued but unpaid interest on the Notes to be due and payable immediately, by a notice in writing to the Issuer (and to the Fiscal Agent), and upon any such declaration such Early Redemption Amount (Default) (or other specified amount) and interest shall become immediately due and payable. Upon payment of such amounts in the currency in which such Notes are denominated, all obligations of the Issuer in respect of payment of principal and interest on such Notes shall terminate.

At any time after such a declaration of acceleration of the Notes of a Series has been made, the holders of a majority in principal amount of the outstanding Notes of such Series, by written notice to the Issuer, may, on behalf of all Noteholders of such Series, waive such event of default and rescind and annul such declaration and its consequences if:

- (i) the Issuer has paid or deposited with the Fiscal Agent a sum in the currency in which such Notes are denominated sufficient to pay:
 - (A) all overdue instalments of interest on such Notes or all overdue payments with respect to any related Coupons;
 - (B) the amounts of principal (and premium, if any, on) such Notes that have become due otherwise than by such declaration of acceleration and interest thereon at the rate prescribed therefor in these Conditions;
 - (C) to the extent that payment of such interest is lawful, interest upon overdue instalments of interests on each such Note or upon overdue payments on any Coupons at the rate or rates prescribed therefor in such Notes or Coupons; and
 - (D) all sums paid or advanced by the Paying Agents and the reasonable compensation, expenses, disbursements and advances of the Paying Agents; *provided, however, that* all sums payable under this sub-paragraph (D) shall be paid in U.S. dollars; and
- (ii) all defaults and events of default with respect to such Notes, other than the non-payment of principal of and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived as provided in Condition 17 (*Meeting of Noteholders and Waiver*).

No such rescission and waiver shall affect any subsequent default or impair any right consequent thereon.

For all purposes under these Conditions, if a portion of the principal of any Zero-Coupon Note shall have been accelerated and declared due and payable pursuant to the provisions hereof, then, from and after such declaration, unless such declaration has been rescinded and annulled, the principal amount of such Zero-Coupon Note shall be deemed, for all purposes hereunder, to be such portion of the principal thereof as shall be due and payable as a result of such acceleration, and payment of such portion of the principal thereof as shall be due and payable as a result of such acceleration, together with interest, if any, thereon and all other amounts owing thereunder, shall constitute payment in full of such Zero-Coupon Note.

14. Prescription

Claims for principal shall become void unless the relevant Notes are presented for payment within two years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within two years of the appropriate Relevant Date.

15. Replacement of Notes and Coupons

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16. Agents

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that* the Issuer shall at all times maintain:

- (i) a Fiscal Agent; and
- (ii) if a Calculation Agent is specified in the relevant Final Terms, a Calculation Agent;
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
- (iv) a Paying Agent in a place of payment located outside the United States.

Notice of any change in the Calculation Agent or any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

The Issuer undertakes that it will use commercially reasonable efforts to maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, if it is commercially practicable to do so.

17. Meetings of Noteholders and Waiver

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum.

Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

(b) Modification

The Notes and these Conditions may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

19. Notices

Notices to the Noteholders shall be valid if published (i) in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) and (ii) if the Notes are admitted to trading on the Luxembourg Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, in each case, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

20. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. Redenomination

(a) Application

This Condition 22 is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.

(b) Notice of redenomination

If the country of the Specified Currency is, becomes, or announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders and Couponholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.

(c) Redenomination

Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

- (i) the Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however, that* if the Issuer determines, with the agreement of the Fiscal Agent, that then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders and Couponholders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;
- (ii) if Notes have been issued in definitive form:
 - (A) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Noteholders that replacement Notes and Coupons denominated in Euro are available for exchange (provided that such Notes and Coupons are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 22) shall remain in full force and effect; and
 - (C) new Notes and Coupons denominated in Euro will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and
- (iii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to, a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the Principal Financial Centre of any Member State of the European Communities.

(d) Interest

Following redenomination of the Notes pursuant to this Condition 22, where Notes have been issued in definitive form, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate principal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder.

(e) Interest Determination Date

If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

23. Consolidation or Merger

- (a) The Issuer shall not consolidate with or accept a merger of any other corporation into the Issuer or permit the Issuer to be merged into any other corporation, or sell other than for cash or lease or convey, all or substantially all its assets to another corporation or purchase all or substantially all the assets of another corporation unless:
- (i) either the Issuer shall be the continuing corporation, or the successor, transferee or lessee corporation (if other than the Issuer) shall, by taking such action as may be required to be taken were such successor corporation the Substitute (as defined in Condition 24) for the purposes of Condition 24, expressly assume the due and punctual payment of the principal of (and premium, if any) and interest (including all additional interest, if any, payable pursuant to Condition 12) on all the Notes and any Coupons and the performance of all the covenants and conditions on the part of the Issuer to be performed or observed; and
 - (ii) immediately after giving effect to such transaction the Issuer or the successor, transferee or lessee corporation (if other than the Issuer) is not in default in the performance of any covenant or condition in these Conditions or the Agency Agreement.

A purchase by a Subsidiary of all or substantially all of the assets of another corporation shall not be deemed to be a purchase of such assets by the Issuer.

- (b) Upon any consolidation with or merger into any other corporation, or any conveyance, transfer or lease of the properties and assets of the Issuer substantially as an entity in accordance with Condition 23(a) above, the successor corporation formed by such consolidation or into which the Issuer is consolidated with or merged into shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer with the same effect as if such successor corporation had been named as the Issuer herein, and thereafter, except in the case of a lease, the predecessor corporation shall be relieved of all obligations and covenants under these Conditions, the Notes, any Coupons and the Agency Agreement.

24. Substitution of the Issuer

- (a) The Issuer may at any time, without the consent of Noteholders or the Couponholders, substitute for itself any company (the “**Substitute**”) upon notice by such Issuer and the Substitute to be given in accordance with Condition 19, provided that:
- (i) no payment in respect of the Notes or the Coupons is at the relevant time overdue;
 - (ii) the Substitute shall, by means of a deed poll in the form scheduled to the Agency Agreement as Schedule 6 (the “**Deed Poll**”), agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Coupon, Talon or the Deed of Covenant and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
 - (iii) the Issuer shall execute a deed of guarantee (the “**Deed of Guarantee**”) pursuant to which it shall guarantee in favour of each Noteholder and Couponholder the payment of all sums payable by the Substitute in respect of the Notes, Coupons and Talons as and when the same shall become due and payable;
 - (iv) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of necessary consents) to ensure that the Deed Poll, the Deed of Guarantee, the

Notes, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute are taken, fulfilled and done;

- (v) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
 - (vi) legal opinions shall have been delivered to the Fiscal Agent from lawyers of recognised standing in each jurisdiction referred to in (ii) above and in England as to the fulfilment of the requirements of this Condition 24 and the other matters specified in the Deed Poll and that the Deed of Guarantee and the Notes and any Coupons and Talons relating thereto are legal, valid and binding obligations of the Issuer (in the case of the Deed of Guarantee) and the Substitute (in the case of the Deed Poll, the Notes, Coupons and Talons and the Agency Agreement);
 - (vii) each stock exchange and/or listing authority to which the Notes have been admitted to listing and/or trading shall have confirmed that, following the proposed substitution of the Substitute, the Notes will continue to be admitted to listing and/or trading by such listing authority and/or stock exchange; and
 - (viii) if applicable, the Substitute has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes.
- (b) Upon the execution of the Deed Poll and the delivery of the legal opinions, the Substitute shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, the Agency Agreement and the Deed of Covenant with the same effect as if the Substitute had been named as the Issuer herein, and the Issuer shall be released from its obligations as Issuer under these Conditions, the Notes, any Coupons and the Agency Agreement (save for such obligations that it shall assume under the Agency Agreement in its capacity as guarantor).
 - (c) After a substitution pursuant to Condition 24(a), the Substitute may, without the consent of any Noteholder or Couponholder, effect a further substitution. All the provisions specified in Condition 24(a) and 24(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substitute.
 - (d) After a substitution pursuant to Condition 24(a) or 24(c) any Substitute may, without the consent of any Noteholder or Couponholder, reverse the substitution, *mutatis mutandis*.
 - (e) The Deed Poll, the Deed of Guarantee and all documents relating to the substitution shall be delivered to, and kept by, the Fiscal Agent. Copies of such documents will be available free of charge at the specified office of each of the Paying Agents.

25. Governing Law and Jurisdiction

(a) Governing law

The Notes are governed by, and shall be construed in accordance with, English law except for the provisions of Condition 4(b) which are governed by and shall be construed in accordance with the laws of the State of New York.

(b) Jurisdiction

The Issuer agrees for the benefit of the Noteholders that the courts of England shall have non-exclusive jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) Process agent

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to Clifford Chance Secretaries Limited at 10 Upper Bank Street, London E14 5JJ or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with Part XXIII of the Companies Act 1985. If such Person is not or ceases to be effectively appointed to accept service of process on the Issuer’s behalf, the Issuer shall, on

the written demand of any Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, appoint a further Person in England to accept service of process on its behalf and, failing such appointment within 15 days, and Noteholder shall be entitled to appoint such a Person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.

(d) Non-exclusivity

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

26. De-listing

The Issuer shall use its best efforts to have the Notes approved for listing on the Luxembourg Stock Exchange and to maintain such listing so long as any of the Notes are outstanding, *provided, however that:*

- (1) if it is impracticable or unduly burdensome, in the good faith determination of the Issuer, to maintain such listing due to changes in listing requirements occurring after the date of the Final Terms, or
- (2) if the Directive of the European Parliament and of the Council (2004/109/EC) or any successor directive is implemented in Luxembourg in a manner that would require the Issuer to publish financial information according to accounting principles or standards that are materially different from United States generally accepted accounting principles,

application may be made to de-list the Notes from the regulated market of the Luxembourg Stock Exchange and the Issuer shall use its reasonable best efforts to obtain an alternative admission to listing, trading and/or quotation of the Notes by another listing authority, exchange or system within or outside the European Union as it may decide. If such an alternative admission is not available or is, in the Issuer's opinion, unduly burdensome, such an alternative admission will not be obtained, and the Issuer shall have no further obligation in respect of any listing, trading or quotation for the Notes. Notice of any de-listing and/or alternative admission will be given pursuant to Condition 19 (*Notices*).

FORM OF FINAL TERMS

The Final Terms in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.

Final Terms dated ●

Citigroup Inc.

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the

U.S.\$55,000,000,000

Programme for the issuance of Euro Medium-Term Notes, Series B

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 October 2006 [and the supplement to the Base Prospectus dated ●] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus [, the supplement to the Base Prospectus] and the Final Terms are available for viewing at [address] [and] [the website of the Luxembourg Stock Exchange] and copies may be obtained (free of charge) from [address].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the base prospectus dated [original date] [and the supplement to the base prospectus dated ●]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 12 October 2006 [and the supplement to the Base Prospectus dated ●], which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the base prospectus dated [original date] [and the supplement to the base prospectus dated ●] and are attached hereto. Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectuses dated [original date] and 12 October 2006 [and the supplement to the Base Prospectus dated ● and ●]. [The Base Prospectuses [, the supplement to the Base Prospectus] and the Final Terms are available for viewing at [address] and [the website of the Luxembourg Stock Exchange] and copies may be obtained (free of charge) from [address].]

The Issuer (a) has complied with its obligations under the listing rules of the Luxembourg Stock Exchange in relation to the admission to and continuing listing of any previous issues made by it under the Programme and listed on the same exchange; (b) confirms that it will have complied with its obligations under the listing rules of the Luxembourg Stock Exchange in relation to the admission to listing of the Notes by the time when the Notes are so admitted; and (c) has not, since the last publication of information in compliance with the listing rules of the Luxembourg Stock Exchange about Notes issued under the Programme, the date of any previous issues made by it under the Programme and listed on the Luxembourg Stock Exchange or any Notes issued under the Programme, having made all reasonable enquiries, become aware of any change in circumstances which could reasonably be regarded as significantly and adversely affecting its ability to meet its obligations as issuer in respect of the Notes as they fall due.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information including final terms at items 9, 10, 16, 17, 18, 29 or 34 of Part A or information in relation to the interests of natural and legal persons involved in the issue/offer in Part B consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: Citigroup Inc.
2. [(i)] Series Number: [●]
- [(ii) Tranche Number: (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).] [●]
3. Specified Currency or Currencies: [●]
4. Aggregate Nominal Amount:
- [(i)] Series: [●]
- [(ii) Tranche: [●]]
5. Issue Price: [●]% of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
6. Specified Denominations: [●]
[●]
7. [(i)] Issue Date: [●]
- [(ii) Interest Commencement Date (if different from the Issue Date): [●]]
8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
- [If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to “professional investors” or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
9. Interest Basis: [●% Fixed Rate]
[[specify reference rate] +/- ●% Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index-Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]

11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
12. Put/Call Options: [Investor Put]
[Issuer Call]
[[further particulars specified below]]
13. Status of the Notes: [Senior/Subordinated]
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●]% per annum [payable [annually/semiannually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]*]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] [per Note of [●] Specified Denomination and per Note of [●] Specified Denomination]
- (iv) Day Count Fraction: [30/360/Actual/Actual (ISDA)/Actual/Actual (ICMA)/other]
- (v) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details] *(Consider if day count fraction, particularly for Euro denominated issues, should be on an Actual/Actual basis. Also consider what should happen to unmatured Coupons in the event of early redemption of the Notes.)*
16. **Floating Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate)
- (i) Interest Periods: [●]
- (ii) Specified Period(s): [●]
(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")
- (iii) Specified Interest Payment Dates: [●]
(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")

- (iv) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Convention/ Preceding Business Day Convention/other (*give details*)]
- (v) Additional Business Centre(s): [Not Applicable/*give details*]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Fiscal Agent): [Not Applicable/[Name] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)]
- (viii) Screen Rate Determination:
- Reference Rate: [*For example, LIBOR or EURIBOR*]
 - Interest Determination Date(s): [●]
 - Relevant Screen Page: [*For example, Telerate page 3750/248*]
 - Relevant Time: [*For example, 11.00 a.m. London time/Brussels time*]
 - Relevant Financial Centre: [*For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the Euro)*]
- (ix) ISDA Determination:
- Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
- (x) Margin(s): [+/-][●]% per annum
- (xi) Minimum Rate of Interest: [●]% per annum
- (xii) Maximum Rate of Interest: [●]% per annum
- (xiii) Day Count Fraction: [●]
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

17. Zero Coupon Note

Provisions:

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) [Amortisation/Accrual]
Yield: % per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of
determining amount
payable: *[Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 10(g)]*

18. Index-Linked Interest Note

Provisions:

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Index/Formula: *[Give or annex details]*
- (ii) Calculation Agent responsible for calculating the interest due:
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *(Need to include a description of market disruptions or settlement disruptions, events and adjustment provisions)*
- (iv) Specified Period(s): *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable")*
- (v) Specified Interest Payment Dates: *(Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (vi) Business Day Convention: *[Floating Rate Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention/ other (give details)]*
- (vii) Additional Business Centre(s):
- (viii) Minimum Rate of Interest: % per annum
- (ix) Maximum Rate of Interest: % per annum
- (x) Day Count Fraction:

19. Dual Currency Note

Provisions:

[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Rate of Exchange/method of calculating Rate of Exchange: *[Give details]*

- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [●]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●] *(Need to include a description of market disruptions or settlement disruptions, events and adjustment provisions)*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

20. Call Option: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s) (Call): [●]
- (ii) Optional Redemption Amount(s) (Call) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [●]
 - (b) Maximum Redemption Amount: [●]
- (iv) Notice period (if other than as set out in the Conditions): [●]

21. Put Option: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [●] per Note of [●] specified denomination
- (iii) Notice period (if other than as set out in the Conditions): [●]

22. Final Redemption Amount of each Note: [[●] per Note of [●] specified denomination/other/see Appendix]

23. Early Redemption Amount of each Note:

Early Redemption Amount(s) of each note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):

[Not Applicable (if both the Early Redemption Amount (Tax) and the Early Redemption Amount (Default) are the principal amount of the Notes)/specify the Early Redemption Amount (Tax) and/or the Early Redemption Amount (Default) if different from the principal amount of the Notes]

24. Exchangeable Note Provisions:

[Applicable/Not Applicable] (if not applicable, delete remaining subparagraphs of this paragraph)

(i) Exchangeable Notes:

[specify terms of exchange, conversion or exercise and other terms; identity Deliverable Assets; and terms and exchange, conversion or exercise prior to Maturity Date (including on any event of default)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time upon Noteholder request/in the limited circumstances specified in the Permanent Global Note/other that would not prevent settlement and clearance of the Notes through Euroclear and/or Clearstream, Luxembourg [specify details].]

[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice.]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.]

(N.B. In relation to any issue of Notes which are expressed in this paragraph 27 to be "Permanent Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Permanent Global Note", such Notes may only be issued in denominations equal to or greater than the specified "Minimum Denomination" and integral multiples thereof.)

26. New Global Note Form:

[Applicable/Not Applicable]

27. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details. (Note that this item relates to the place of payment, and not interest period end dates, to which item 17(v) relates)]

28. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

29. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
31. Redenomination, renomination and reconventioning provisions: [Not Applicable/The provisions [in Condition 22 (*Redenomination*)] [annexed to these Final Terms] apply]
32. Consolidation provisions: [Not Applicable/The provisions [in Condition 18 (*Further Issues*)] [annexed to these Final Terms] apply]
33. Other terms or special conditions: [Not Applicable/*give details*]
- (When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

DISTRIBUTION

34. (i) If syndicated, names and addresses and underwriting commitments of Managers: [Not Applicable/*give names*]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (ii) Date of Subscription Agreement: [●]
- (iii) Stabilising Manager (if any): [Not Applicable/*give name*]
35. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
36. Total commission and concession: [●] per cent. of the Aggregate Nominal Amount
37. TEFRA: The D Rules are applicable
38. Additional selling restrictions: [Not Applicable/*give details*]

[ADMISSION TO TRADING

These Final Terms comprise the final terms required for the Notes described herein to be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange pursuant to the Programme for the issuance of U.S.\$55,000,000,000 Euro Medium-Term Notes, Series B of Citigroup Inc.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [● has been extracted from ●. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by ●, no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

CITIGROUP INC.

By: _____

Duly authorised

PART B — OTHER INFORMATION

1. LISTING

- (i) Listing: [London/Luxembourg/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading)

2. RATINGS

Ratings: The Issuer has received the following long-term, unsecured, [senior/subordinated] debt ratings:

S&P: []

Moody's: []

Fitch: []

[[Other]: []]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. NOTIFICATION

The CSSF [has been requested to provide/has provided — *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [Autorité des Marchés Financiers (AMF) (France); AFM (Autoriteit Financiële Markten) (the Netherlands); The UK Listing Authority (United Kingdom) (the Financial Services Authority, acting as competent authority for listing); The Irish Financial Services Regulatory Authority (IFSRA) (Republic of Ireland); BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht) (Germany); Comisión Nacional de Mercado de Valores (CNMV) (Spain), Commissione Nazionale per la Società e la Borsa (CONSOB) (Italy); Commission Bancaire, Financière et des Assurances (Belgium)]; and] Finanzmarktaufsicht (FMA) (Austria)]; [Other]] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

4. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer: []

(See “Use of Proceeds” wording in Base Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(ii) Estimated net proceeds: [●]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(iii) Estimated total expenses: [●]. *[Include breakdown of expenses]*

(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

6. [Fixed Rate Notes only — YIELD

Indication of yield: [●].

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [Floating Rate Notes only — HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Telerate].]

8. [Index-Linked or other variable-linked Notes only — PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]]

(i) Post Issuance Information: *The Issuer [intends/does not intend] to publish post-issuance information relating to the underlying. [If the issuer intends to report such information, specify what information will be reported and where such information can be obtained.]*

9. [Dual Currency Notes only — PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risk are most evident.]

10. OPERATIONAL INFORMATION

ISIN Code:

Common Code:

New Global Note intended to be held in a manner which would allow Eurosystem eligibility:

[Not Applicable/Yes/No] [Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*Include this text if “Yes” selected in which case the Notes must be issued in NGN form*]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, Société Anonyme and the relevant identification number(s):

[Not Applicable/*give name(s) and number(s)*]

Delivery:

Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any):

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear, Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated and, in the case of an NGN, effectuated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) a Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment, then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase

the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (London time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated on or about 12 October 2006 (the “**Deed of Covenant**”) executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge) in whole but not in part, for Definitive Notes with Coupons and Talons (if applicable) attached (i) if an Event of Default (as defined in Condition 13 (*Events of Default*)) occurs, or (ii) if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or (iii) if at the option of the Issuer, by reason of any change in the laws of the State of Delaware or the United States of America, the Issuer is or will be required to make any withholding or deduction from any payment in respect of the Notes which would not be required if the Notes were represented by Definitive Notes, or (iv) if specified in the relevant Final Terms at any time at the option of the holder or (v) upon the occurrence of any other event specified in the Final Terms that would not prevent settlement and clearance of the Notes through Euroclear and/or Clearstream, Luxembourg or (vi) as otherwise specified in the Permanent Global Note. Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments

All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of any Paying Agent outside the United States and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the same is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Exercise of put option

In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions. The rights of account holders with a clearing system in respect of the Notes of such Series will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg (to be reflected as either a pool factor or a reduction in principal amount, at their discretion) and/or other clearing system. For the avoidance of doubt, if the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *d'Wort*).

Notices

Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the Luxembourg Stock Exchange and the rules of that exchange so require, notice shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *d'Wort*) or published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Redenomination

If the Notes are redenominated pursuant to Condition 22 (*Redenomination*), then following redenomination:

- (a) if Definitive Notes are required to be issued, they shall be issued at the expense of the Issuer in such denominations as the Fiscal Agent shall determine and notify to the Noteholders; and
- (b) the amount of interest due in respect of Notes represented by a Permanent Global Note and/or a Temporary Global Note will be calculated by reference to the aggregate principal amount of such Notes and the amount of such payment shall be rounded down to the nearest Euro 0.01.

THE ISSUER

Citigroup is a diversified global financial services holding company whose businesses provide a broad range of financial services to consumer and corporate customers with more than 200 million customer accounts doing business in more than 100 countries. Citigroup's objects and purposes are to "engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware", as stated in Article THIRD of Citigroup's Restated Certificate of Incorporation. Citigroup's business is conducted through more than 2,000 subsidiaries and affiliates. Citigroup's activities are conducted through Global Consumer, Corporate and Investment Banking, Global Wealth Management, and Alternative Investments. Citigroup's principal subsidiaries are Citibank, N.A., Associates First Capital Corporation, Citigroup Global Markets Inc. and Grupo Financiero Banamex, S.A. de C.V., each of which is a wholly owned, indirect subsidiary of Citigroup.

The Issuer is a holding company and services its obligations primarily with dividends and advances that it receives from subsidiaries. The Issuer's subsidiaries that operate in the banking and securities businesses can only pay dividends if they are in compliance with the applicable regulatory requirements imposed on them by federal and state bank regulatory authorities and securities regulators in the United States. The Issuer's subsidiaries may be party to credit agreements that also may restrict their ability to pay dividends. The Issuer currently believes that none of these regulatory or contractual restrictions on the ability of its subsidiaries to pay dividends will affect the Issuer's ability to service its own debt. The Issuer must also maintain the required capital levels of a bank holding company before it may pay dividends on its stock. Each of the Issuer's major operating subsidiaries finances its operation on a stand-alone basis consistent with its capitalisation and ratings.

Under longstanding policy of The Board of Governors of the Federal Reserve System, a bank holding company is expected to act as a source of financial strength for its subsidiary banks and to commit resources to support such banks. As a result of that policy, the Issuer may be required to commit resources to its subsidiary banks.

Citigroup has been assigned long-term unsecured senior debt ratings of "AA-" by Standard & Poors, "Aa1" by Moody's Investors Service and "AA+" by Fitch, and long-term unsecured subordinated debt ratings of "A+" by Standard and Poors, "Aa2" by Moody's Investors Service and "AA" by Fitch.

The principal office for the Issuer is located at 399 Park Avenue, New York, NY 10043 with telephone number (001) 212 559 1000. The Issuer was established as a corporation incorporated in Delaware on March 8, 1988 with perpetual duration pursuant to the Delaware General Corporation Law. Citigroup's authorized capital stock consists of 15 billion shares of common stock and 30 million shares of preferred stock. As at June 30, 2006, there are 4,943,944,972 fully paid common stock shares issued and outstanding. A common stock share carries one vote, and no preemptive or other subscription rights, conversion rights. A preferred stock share carries no general voting rights.

All of the Issuer's common stock and preferred stock are held in book entry form. Under U.S. law, no shareholder has to declare its holdings of voting equity in the Issuer unless it owns 5% or more of the outstanding shares. The only shareholder that has exceeded the threshold is State Street Bank and Trust Company, which has 5% of the Issuer's common stock shares.

DIRECTORS AND EXECUTIVE OFFICERS OF CITIGROUP INC.

The members of the board of directors of Citigroup are:

Board of Directors

C. Michael Armstrong

Alain J.P. Belda

George David

Kenneth T. Derr

John M. Deutch

Ann Dibble Jordan

Main duties outside the Issuer

Chairman, Board of Trustees Johns Hopkins Medicine, Health Systems & Hospital.

Chairman and CEO, Alcoa Inc.

Chairman and CEO, United Technologies Corporation.

Chairman (Retired), Chevron Corporation; Chairman, Calpine Corporation.

Institute Professor, Massachusetts Institute of Technology.

Consultant.

Klaus Kleinfeld	President and CEO, Siemens AG.
Andrew N. Liveris	President, CEO and Chairman, The Dow Chemical Company
Dudley C. Mecum	Managing Director, Capricorn Holdings, LLC.
Anne M. Mulcahy	Chairman and CEO, Xerox Corporation.
Richard D. Parsons	Chairman and CEO, Time Warner Inc.
Charles Prince	—
Roberto Hernández Ramírez	Chairman of the Board, Banco Nacional de Mexico.
Judith Rodin	President, Rockefeller Foundation.
Robert E. Rubin	—
Franklin A. Thomas	Consultant, The Study Group.

Honorary Director

The Honorable Gerald R. Ford Former President of the United States.

The executive officers of Citigroup are: Ajay Banga, Winfried F.W. Bischoff, David C. Bushnell, Robert Druskin, Stephen J. Freiberg, John C. Gerspach, Michael S. Helfer, Lewis B. Kaden, Sallie Krawcheck, Manuel Medina-Mora, Charles Prince, William R. Rhodes, Robert E. Rubin, Todd S. Thomson and Stephen R. Volk. The business address of each director and executive officer of Citigroup in such capacities is 399 Park Avenue, New York, New York 10043.

The Issuer is not aware of any conflicts of interest between the private interests of its senior management and the interests of the Issuer that would be material in the context of any Issuance of Notes.

The Issuer is in compliance with laws and regulations of the United States relating to corporate governance.

Committees of the Board of Directors

The standing committees of Citigroup's board of directors are:

The executive committee, which acts on behalf of the board if a matter requires board action before a meeting of the full board can be held.

The audit and risk management committee, which assists the board in fulfilling its oversight responsibility relating to (i) the integrity of Citigroup's financial statements and financial reporting process and Citigroup's systems of internal accounting and financial controls, (ii) the performance of the internal audit function — Audit and Risk Review; (iii) the annual independent integrated audit of Citigroup's consolidated financial statements and internal control over financial reporting, the engagement of the independent registered public accounting firm and the evaluation of the independent registered public accounting firm's qualifications, independence and performance; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by Citigroup with legal and regulatory requirements, including Citigroup's disclosure controls and procedures; and (vi) the fulfilment of the other responsibilities set out in its charter, as adopted by the board.

Subcommittees of the audit and risk management committee cover Citigroup's corporate and consumer businesses.

The members of the audit and risk management committee are C. Michael Armstrong, George David, John M. Deutch, Andrew N. Liveris, Anne M. Mulcahy and Judith Rodin.

The nomination and governance committee, which is responsible for identifying individuals qualified to become board members and recommending to the board the director nominees for the next annual meeting of stockholders. It leads the board in its annual review of the board's performance and recommends to the board director candidates for each committee for appointment by the board. The committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the board the Corporate Governance Guidelines applicable to Citigroup and monitoring Citigroup's compliance with these policies and the Guidelines. The committee also reviews Citigroup's Code of Conduct, the Code of Ethics for Financial Professionals and other internal policies to monitor that the principles contained in the Codes are being incorporated into Citigroup culture and business practices.

The personnel and compensation committee, which is responsible for determining the compensation for the Office of the Chairman, the Chief Executive Officer and the Chief Operating Officer, and approving the compensation structure for senior management, including members of the business planning groups, the most senior managers of corporate staff and other highly paid professionals in accordance with guidelines established by the committee from time to time. Further, the committee approves broadbased and special compensation plans across Citigroup and reviews employee compensation strategies.

Additionally, the committee will regularly review Citigroup's management resources, succession planning and talent development activities, as well as the performance of senior management.

The committee is also charged with monitoring Citigroup's performance toward meeting its goals on employee diversity.

The public affairs committee, which is responsible for reviewing Citigroup's policies and programs that relate to public issues of significance to Citigroup and the public at large and reviewing relationships with external constituencies and issues that impact Citigroup's reputation. The committee also has responsibility for, among other things, reviewing political and charitable contributions made by Citigroup and the Citigroup Foundation, reviewing Citigroup's policies and practices regarding employee and supplier diversity, reviewing Citigroup's environmental policies and programs, and reviewing Citigroup's policies regarding privacy.

The special litigation committee, which was formed to determine whether or not Citigroup should undertake litigation against one or more persons identified in demands submitted by a stockholder regarding certain Citigroup activities, including Citigroup's business relationships with Enron Corporation, Dynegy, Inc., Adelphia Communications Corporation, WorldCom, Inc., and Parmalat.

SUMMARY FINANCIAL INFORMATION RELATING TO THE ISSUER

The following tables set out in summary form selected financial information for the Issuer and its consolidated subsidiaries. Such information is derived from the consolidated financial statements of the Issuer contained in the Issuer's Annual Report on Form 10-K for the year ended 31 December 2005, and its Quarterly Reports on Forms 10-Q each filed with the Commission.

	At or for the six months ended 30 June,		At or for the year ended 31 December,	
	2006	2005	2005	2004
	(millions of U.S. Dollars, except per share amounts)			
Income Statement Data:				
Total revenues, net of interest expense	44,365	41,365	83,642	79,635
Income from continuing operations	10,817	9,846	19,806	16,054
Net income	10,904	10,514	24,589	17,046
Dividends declared per common share ⁽¹⁾	0.98	0.88	1.76	1.60
Balance Sheet Data:				
Total assets	1,626,551	1,547,789	1,494,037	1,484,101
Total deposits	645,805	571,920 ⁽²⁾	591,828 ⁽²⁾	561,513 ⁽²⁾
Long-term debt	239,557	211,346	217,499	207,910
Total stockholders' equity	115,428	113,037	112,537	109,291

(1) Amounts represent Citigroup's historical dividends per common share and have been adjusted to reflect stock splits.

(2) Reclassified to conform to the current period's presentation.

The following table shows the consolidated ratio of income to fixed charges and the consolidated ratio of income to combined fixed charges including preferred stock dividends of the Issuer for the two years ended 31 December 2005 and 2004 and for the six months ended 30 June 2006. The ratios in the following table are unaudited.

	Six months ended 30 June,	Year ended 31 December,	
	2006	2005	2004
Ratio of income to fixed charges (excluding interest on deposits)	1.89	2.25	2.65
Ratio of income to fixed charges (including interest on deposits)	1.56	1.79	2.01
Ratio of income to combined fixed charges including preferred stock dividends (excluding interest on deposits)	1.88	2.24	2.63
Ratio of income to combined fixed charges including preferred stock dividends (including interest on deposits)	1.56	1.79	2.00

TAXATION

United States Taxation

The following summary sets forth certain United States federal income tax considerations of the purchase, ownership and disposition of Notes, Coupons and Talons by Non-U.S. Holders (as defined below). This summary is based upon the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed U.S. Treasury regulations promulgated thereunder, published rulings by the U.S. Internal Revenue Service (the “IRS”) and court decisions, all in effect as of this Base Prospectus, all of which authorities are subject to change or differing interpretations, which changes or differing interpretations could apply retroactively. This summary does not purport to discuss all aspects of United States federal income taxation which may be relevant to particular investors, including, without limitation, banks and certain U.S. expatriates. In addition, this summary does not discuss any foreign, state or local tax considerations. This summary only applies to original purchasers of Notes that purchase Notes at the original issue price and hold the Notes as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. Prospective investors should consult their own tax advisers regarding the United States federal, state and local, as well as foreign income and other, tax considerations of investing in the Notes.

As used here, the term “U.S. Person” includes (i) a citizen or individual resident of the United States, (ii) a corporation or other entity treated as a corporation for United States federal income tax purposes created or organised in or under the laws of the United States or any political sub-division thereof or therein (including the District of Columbia), (iii) an estate the income of which is subject to United States federal income taxation regardless of its source, and (iv) a trust, if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons (as defined in the Code) have the authority to control all substantial decisions or the trust has made a valid election under U.S. Treasury regulations to be treated as a U.S. person. A “Non-U.S. Holder” is a beneficial owner of a Note, Coupon or Talon that is not a U.S. Person. A “U.S.-Controlled Person” includes (i) a controlled foreign corporation for United States federal income tax purposes, (ii) a foreign person 50% or more of whose gross income is effectively connected with the conduct of a trade or business within the United States for a specified three-year period, and (iii) a foreign partnership that is engaged in the conduct of a trade or business within the United States or more than 50% of the income or capital interests in which are held by U.S. persons.

In the case of a holder of Notes, Coupons or Talons that is a partnership for United States federal income tax purposes, each partner will take into account its allocable share of income or loss from the Notes, Coupons or Talons, and will take such income or loss into account under the rules of taxation applicable to such partner, taking into account the activities of the partnership and the partner.

Under present United States federal income and estate tax law and subject to the discussion of backup withholding below:

- (a) payments of principal of and interest on the Notes, Coupons and Talons made outside the United States by the Issuer or any Paying Agent to a Non-U.S. Holder will not be subject to withholding of United States federal income tax, unless, in the case of interest (including original issue discount), (1) the Non-U.S. Holder (A) actually or constructively owns 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote, or (B) is a controlled foreign corporation that is related to the Issuer through stock ownership, and (2) such interest is not contingent within the meaning of Section 871(h)(4) of the Code;
- (b) payments of proceeds realised on the sale, exchange or redemption of a Note to a Non-U.S. Holder will not be subject to withholding of United States federal income tax; and
- (c) a Note, Coupon or Talon held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to United States federal estate tax as a result of such individual’s death if the individual does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote and the income on the Note, Coupon or Talon would not have been effectively connected with the conduct of a trade or business by the individual in the United States.

Notwithstanding the foregoing, a Non-U.S. Holder that is subject to United States federal income taxation on a net income basis generally will be subject to taxation under the same rules that govern the taxation of a beneficial owner of a Note, Coupon or Talon that is a U.S. Person with respect to interest paid or accrued on a Note, Coupon or Talon, and with respect to gain or loss realised or recognised on the sale,

exchange, retirement or other taxable disposition of a Note, Coupon or Talon. In addition, a Non-U.S. Holder who is an individual will be subject to United States federal income tax on gain realised on the sale, exchange, retirement or other taxable disposition of a Note, Coupon or Talon if such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met. Special rules apply to Non-U.S. Holders that are qualified residents of a country with which the United States has an income tax treaty.

Special tax considerations may apply to certain index-linked Notes, Coupons or Talons. Any such considerations will be described in the applicable Final Terms.

Tax Return Disclosure and Investor List Requirements

U.S. Treasury regulations (the “Tax Shelter Regulations”) intended to address so-called tax shelters and other potentially tax-motivated transactions require participants in a “reportable transaction” to disclose certain information about the transaction on IRS Form 8886 and retain information relating to the transaction. Organisers and sellers of reportable transactions are required to maintain lists identifying the transaction investors and furnish to the IRS upon demand such investor information as well as detailed information regarding the transactions. A transaction may be “reportable transaction” based upon any of several indicia, including the existence of confidentiality agreements, certain indemnity arrangements, potential for recognising certain losses, significant book-tax differences, a brief asset holding period, and whether the transaction is a listed transaction, one or more of which may be present with respect to or in connection with an investment in the Notes. In addition, the Tax Shelter Regulations could be interpreted to cover and require reporting of transactions that are generally not considered tax shelters, including certain foreign currency transactions. Recently enacted legislation imposes significant penalties for failure to comply with these disclosure requirements. Investors should consult their tax advisers concerning any possible disclosure obligation with respect to their investment and should be aware that the Issuer and other participants in the transaction intend to imply with the disclosure and list maintenance requirements under the Tax Shelter Regulations as they determine apply to them with respect to the Programme or Notes issued thereunder.

Backup Withholding and Information Reporting

Backup withholding will not apply to payments made outside the United States by the Issuer or Paying Agent on a Note, Coupon or Talon unless the payor has actual knowledge that the beneficial owner thereof is a U.S. person. In addition, if payments are collected outside the United States by a foreign office of a custodian, nominee or other agent acting on behalf of a beneficial owner of a Note, Coupon or Talon, that custodian, nominee or other agent will not be required to deduct backup withholding from payments made to that beneficial owner unless the custodian, nominee or other agent has actual knowledge that the beneficial owner thereof is a U.S. person. Generally, payments made outside the United States will not be subject to information reporting. However, payments by a custodian, nominee, or other agent that is a U.S. person or U.S.-Controlled Person will be subject to information reporting unless that custodian, nominee or other agent has documentary evidence in its files of the beneficial owner’s foreign status and has no actual knowledge to the contrary.

Payment of the proceeds from the sale of a Note, Coupon or Talon to or through the United States office of a broker will be subject to information reporting and backup withholding unless the beneficial owner thereof certifies it is not a U.S. person under penalty of perjury or otherwise establishes an exemption from information reporting and backup withholding. Payment of the proceeds from the sale of a Note, Coupon or Talon effected outside the United States to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding, except that, if the broker is a U.S. person or U.S.-Controlled Person, information reporting will apply to those payments unless the broker has documentary evidence in its files that the beneficial owner is not a U.S. person and has no actual knowledge to the contrary, or the beneficial owner otherwise establishes an exemption, and backup withholding will apply if the broker has actual knowledge that the beneficial owner is a U.S. person.

Generally a holder may obtain a refund of any amount withheld under the backup withholding rules that exceed the holder’s income tax liability by filing a refund claim with the IRS.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual

resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures with effect from 1 July 2005 (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

Deed of Covenant

Any payments made by the Issuer under the Deed of Covenant may not qualify for the exemptions from withholding tax described above or any other exemption which depend on the Notes being beneficially owned by a particular person.

Luxembourg Taxation

The following is a general description of certain Luxembourg tax considerations relating to the Notes. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes, payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This summary is based upon the law as in effect on the date of this Prospectus. The information contained within this section is limited to withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive (Council Directive 2003/48/EC) and providing for the possible application of a withholding tax (15% from 1 July 2005 to 30 June 2008, 20% from 1 July 2008 to 30 June 2011 and 35% from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "residual entities") in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive (see, paragraph "EU Savings Tax Directive" above);
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10% final withholding tax on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the European Union Savings Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 January 2006.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Paying Agent in Luxembourg within the meaning of these laws and not by the Issuer.

Austrian Taxation

Prospective investors in the Notes are advised to consult their own tax advisers regarding the tax consequences of a purchase, receipt of interest, sale or redemption of the Notes under the tax laws of the country of which they are residents.

As each Series of Notes may be subject to a different tax treatment due to the specific terms of such Series as set out in the respective Final Terms, the following section only provides some very generic information on the possible tax treatment.

The following general summary is based upon the tax laws of Austria and their interpretation as in effect at the date of this Supplement and is subject to any change that may come into effect after such date.

Residents

In principle, a 25% interest tax (“*Kapitalertragsteuer*”) is deducted by the coupon paying bank if the coupon payment is effected within Austria. This interest tax is a final tax for individuals having their domicile (“*Wohnsitz*”) or habitual place of abode (“*gewöhnlichen Aufenthalt*”) within Austria and for Austrian partnerships, as far as individuals are concerned. In certain cases the positive difference between the issue price (or acquisition price) and the redemption amount (or selling price) is regarded as taxable interest and 25% interest tax is deducted from the positive difference by the bank (“*Unterschiedsbeträge gem. § 27 Abs 2 Z 2 EStG*”, compare EStRL 2000 Rz 6177-6198a). Gains derived from the sale of Notes by resident individuals are subject to Austrian income tax, if the period between the acquisition and the alienation of the Notes is not more than one year. In case the Notes belong to the business assets of a resident individual, the gains are subject to income tax regardless of any ownership period.

Corporate investors having their place of management or seat in Austria (unlimited tax liability) and collecting interest can be exempted from tax deduction by submitting a written declaration to the Austrian coupon paying bank that the interest is to be assessed as business income of a domestic or foreign trade or business (“*Declaration of Tax Exemption*”) but remains taxable under the Austrian Corporate Tax Act. In other words, the deduction of the interest tax by the Austrian Bank which pays the interest on behalf of the paying agent is avoided. Taxation is shifted to the normal procedure of tax declaration and assessment by the tax authorities. Gains derived from the sale of Notes by resident corporate investors are subject to Austrian corporation tax.

Permanent Establishments of Non-residents

The 25% interest tax is deducted from interest payments that are collected by the Austrian permanent establishment of a partnership or an individual, who is not subject to unlimited tax liability in Austria. This interest tax is a final tax in the case of individuals or individuals who are members of partnerships but not for corporate bodies that are members of partnerships. In certain cases the positive difference between the issue price, (or acquisition price) and the redemption amount (or selling price) is regarded as taxable interest and 25% interest tax is deducted from the positive difference by the bank (“*Unterschiedsbeträge gem. § 27 Abs 2 Z 2 EStG*”, compare EStRL 2000 Rz 6177-6198a).

An Austrian permanent establishment of a corporation having its seat or place of management outside Austria may collect its interest without tax deduction by submitting a Declaration of Tax Exemption, but will remain taxable under the Austrian Corporate Tax Act (see “*Residents*” above).

Gains derived from the sale of Notes in the hands of the permanent establishment are subject to income/corporation tax.

Non-residents

Interest paid to non-resident companies, individuals and partnerships having no seat, place of management, domicile, habitual place of abode or permanent establishment within Austria are exempt from interest tax, if the recipient proves his non-resident status to the Austrian coupon paying bank with which it keeps the securities (see the section “*EU Savings Directive*” above). Gains derived from the sale of Notes are not subject to income/corporation tax in Austria.

No stamp, issue, registration or similar taxes or duties will, under present Austrian law, be payable in Austria by the Holders of the Note in connection with the issue of the Notes.

Austria and the EU Savings Directive

A description of EU Savings Directive (2003/48/EC) is set out above. Austria has opted for a “withholding” tax which will be deducted by the coupon paying bank. The implementation of the EU Savings Directive in Austria was made by the “EU Withholding Tax Act”, Federal Law Gazette I 2004/33 published on 27 April 2004. The EU Withholding Tax Act (as with the Luxembourg law dated 21 June 2005) provides for a withholding tax in increasing amounts. For the first three years a rate of 15% applies, for the following three years it will increase to 20% and the rate will increase to 35% thereafter.

SUBSCRIPTION AND SALE

Notes or Coupons may be sold from time to time by the Issuer to Citigroup Global Markets Limited (Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) and to any other Dealer appointed from time to time under the Dealer Agreement (as defined below) (the “**Dealers**”) or to any other purchaser. The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers (or other purchasers) are set out in an Amended and Restated Dealer Agreement dated on or about 12 October 2006 (as amended and/or restated from time to time, the “**Dealer Agreement**”) and made between the Issuer and the Dealers. Such agreement will make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America:

Regulation S Category 2; TEFRA D.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, United States Persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to United States tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States Person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and U.S. Treasury regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of Notes of the same Tranche and the date of issue thereof or (iii) in the event of a distribution of a Tranche that is fungible therewith, from the earlier of the commencement of the offering of such fungible Tranche and the date of issue thereof until 40 days after the later of the commencement of the offering of such fungible Tranche and the date of issue within the United States or to, or for the account or benefit of, United States Persons, and such Dealer will have sent to each distributor, dealer or person to which it sells Notes during the Initial Distribution Compliance Period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, United States Persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of (or in Austria, the date after) publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State in accordance with the Prospectus Directive or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State in accordance with Article 18 of the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom:

Each Dealer has represented and agreed that:

- (a) *No deposit-taking:* in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance:* it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country

or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “General” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Base Prospectus.

USE OF PROCEEDS

The Issuer will use the net proceeds it receives from the sale of Notes for general corporate purposes, which may include capital contributions to its subsidiaries and/or the reduction or refinancings of borrowings of the Issuer or its subsidiaries. The Issuer expects to incur additional indebtedness in the future.

GENERAL INFORMATION

Listing and Application to Trading

Applications have been made for Notes issued under the Programme to be listed on the official list and admitted to trading on the regulated market of the Luxembourg Stock Exchange and, in connection therewith, the Luxembourg Stock Exchange has assigned registration number 12190 to the Programme.

However, Notes may be issued pursuant to the Programme which will not be listed on the regulated market of the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

Authorisations

The establishment and updating of the Programme was authorised by resolutions of the Board of Directors of the Issuer adopted on 15 December 1998, as amended by resolutions adopted on 19 October 1999, and 17 October 2000, and the issuance of Notes under the Programme was authorised by the Funding Committee of the Board of Directors on 1 June 1999. On 23 January 2001, the Programme Amount was increased from U.S.\$5,000,000,000 to U.S.\$12,000,000,000. This increase was authorised by the Funding Committee of the Board of Directors of the Issuer on 12 January 2001. On 30 April 2004 the Programme Amount was increased from U.S.\$12,000,000,000 to U.S.\$18,000,000,000. This increase was authorised by the Funding Committee of the Board of Directors of the Issuer on 15 April 2004. On 16 August 2004 the Programme Amount was raised from U.S.\$18,000,000,000 to U.S.\$35,000,000,000. This increase was authorised by the Funding Committee of the Board of Directors of the Issuer on 26 July 2004. On 27 May 2005, the Funding Committee of the Board of Directors of the Issuer authorised the increase of the Programme Amount from U.S.\$35,000,000,000 to U.S.\$40,000,000,000. On 14 August 2006, the Funding Committee of the Board of Directors of the Issuer authorised the increase of the Programme Amount from U.S.\$40,000,000,000 to U.S.\$55,000,000,000.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Use of proceeds

The net proceeds to be received by the Issuer from the sale of the Notes will be used for general corporate purposes, principally to fund the business of its operating units, to fund investments in, or extensions of credit or capital contributions to, its subsidiaries, to finance possible acquisitions or business expansion and to refinance or extend the average maturity of existing debt obligations, which may include the reduction of short-term liabilities or the refunding of maturing indebtedness. In order to fund its business, the Issuer expects to incur additional indebtedness in the future. The Issuer or an affiliate may enter into a swap agreement with one of the Issuer's affiliates or a third party in connection with the sale of Notes and may earn additional income as a result of payments pursuant to that transaction.

Litigation

Save as disclosed in this Base Prospectus, there have not been in the last 12 months, nor are there, any litigation proceedings, actual or pending, relating to the Issuer or any of its Subsidiaries to which the Issuer (or such Subsidiary) is a party or of which the Issuer has been notified which are material in the context of the Programme or the issue of Notes thereunder.

No significant change

Save as disclosed in this Base Prospectus (including any document incorporated by reference herein), there has been no significant change in the financial or trading position and no material change in the prospects and condition or general affairs of the Issuer and its Subsidiaries when considered as a whole since 31 December 2005 that is material in the context of the Programme or the issue of Notes thereunder.

Documents available for inspection or obtainable

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents may be inspected (and, in the case of (f) and (g) below, may be obtained free of charge) during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg:

- (a) the statutory documents of the Issuer;
- (b) the Amended and Restated Agency Agreement;
- (c) the Deed of Covenant;
- (d) the Amended and Restated Dealer Agreement;
- (e) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (f) the Base Prospectus and any supplements thereof; and
- (g) any Final Terms relating to the Notes issued under the Programme except for those relating to Notes issued in circumstances which do not require publication of a prospectus pursuant to Article 3 of the Prospectus Directive.

Auditors

The financial statements of the Issuer have been audited for the three financial years preceding the date of this document by KPMG LLP, independent public auditors of the Issuer for that period, and unqualified opinions have been reported thereon. KPMG LLP is a member of the American Institute of Certified Public Accountants, and is regulated by the U.S. Public Company Accounting Oversight Board.

Financial statements available

For so long as the Programme remains in effect or any Notes shall be outstanding, copies of the following documents (without exhibits) may be obtained during normal business hours at the Specified Office of the Fiscal Agent and the Paying Agent in Luxembourg, namely:

- (a) the most recent publicly available audited consolidated financial statements of the Issuer beginning with such financial statements for the years ended 31 December 2005, 31 December 2004 and 31 December 2003;
- (b) the most recent publicly available unaudited consolidated quarterly financial statements (if any) of the Issuer beginning with such financial statements for the quarter ended 30 June 2006; and
- (c) any current reports of the Issuer issued after the date of the financial statements referred to in (a) above.

The Issuer does not publish unconsolidated financial statements.

Passporting

In addition to the applications already described in this Base Prospectus, the Issuer may, on or after the date of this Base Prospectus, make applications for one or more further certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any Member State.

NON-CONFIDENTIALITY

No person asserts any claim of proprietary ownership or exclusive right with respect to any feature of the tax structure or the tax aspects of the transactions described herein, and Citigroup and its affiliates authorise each of the prospective investors (and each employee, representative, or other agent of any prospective investor) to disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transaction and all materials of any kind (including opinions and other tax analyses) that are provided to the prospective investor relating to such tax treatment and tax structure.

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